

**PPC**

**RETIRED PAY**

**SEMINAR HANDOUT**



**FOR ADDITIONAL INFORMATION  
PLEASE CONTACT**

**COMMANDING OFFICER (RAS)  
U S COAST GUARD  
PAY & PERSONNEL CENTER  
444 SE QUINCY STREET  
TOPEKA, KS 66683-3591**

**PHONE: 1 (866) 772-8724 or  
FAX: (785) 339-3770**

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## Retiree Annuitant Services (RAS)

✓ Retiree & Annuitant Services Branch Customer Service:

U. S. COAST GUARD 1 866 772-8724  
PAY & PERSONNEL CENTER (RAS)  
444 SE QUINCY ST  
TOPEKA KS 66683-3591 Fax: 785-339-3770

- ✓ Pay Technicians – establishing and maintaining retirement accounts
- ✓ Reserve Technician - Processing 20 year letters, reservists entering RET1 or RET2 status; and producing and mailing retirement certificates and pins.
- ✓ DEERS Personnel Technician for information and ID Cards can be reached by calling 1 866 772-8724
- ✓ Deceased Account Team processing retiree deaths, annuitant starts, and maintaining annuitant accounts. Call 1-866-772-8724.

You can email RAS at: [PPC-DG-CustomerCare@uscg.mil](mailto:PPC-DG-CustomerCare@uscg.mil)

# Points Of Contact

## Helpful Telephone Numbers/Email Addresses

Final separation or sale of leave PPC (SEP) 866 772-8724  
Discrepancy of time or Statements of Service PPC (ADV)  
PPC Travel (TVL)

Orders: Officer (PSC-opm-1) [ARL-PF-CGPSC-OPM-1-SEPARATIONS@USCG.MIL](mailto:ARL-PF-CGPSC-OPM-1-SEPARATIONS@USCG.MIL)  
Enlisted (PSC-epm-1) [ARL-PF-CGPSC-EPM-1-SEPARATIONS@USCG.MIL](mailto:ARL-PF-CGPSC-EPM-1-SEPARATIONS@USCG.MIL)

Office of Servicemember's Group Life Insurance (SGLI) 800 419-1473 or 201 802-7676

Department of Veteran's Affairs (VA) 800 827-1000

Social Security Administration 800 772-1213

Retiree Dental/Vision Program 877 888-3337

To obtain copies of your DD-214, awards, etc. contact:  
National Personnel Records Center (MPR) 314 801-0800  
9700 Page Blvd, St. Louis, MO 63132-5100

## Helpful Web Sites

Coast Guard Magazine [www.uscg.mil](http://www.uscg.mil)  
Navy (Info, plus the Navy publication Shift Colors) [www.npc.navy.mil/channels](http://www.npc.navy.mil/channels)  
Air Force (Info, plus the Air Force publication Afterburner) [www.retirees.af.mil/](http://www.retirees.af.mil/)  
Social Security [www.ssa.gov](http://www.ssa.gov)  
Department of Veterans Affairs [www.va.gov](http://www.va.gov)  
DEERS & RAPIDS [www.tricare.mil/deers](http://www.tricare.mil/deers)  
The Retired Enlisted Association [www.trea.org](http://www.trea.org)  
The Military Officers Association of America [www.moaa.org](http://www.moaa.org)  
Reserve Officers Association [www.roa.org](http://www.roa.org)  
The American Legion [www.legion.org](http://www.legion.org)  
Disabled American Veterans [www.dav.org](http://www.dav.org)  
American Red Cross [www.redcross.org](http://www.redcross.org)  
Retired Military Almanac [www.militaryalmanac.com](http://www.militaryalmanac.com)  
National Personnel Records Center [https://www.archives.gov/veterans/military- service-records](https://www.archives.gov/veterans/military-service-records)  
TRICARE Internet Home Page [www.tricare.mil](http://www.tricare.mil)

**note: some email addresses may have changed since this was printed.**

## Resources and General Information

- Request for retirement. Personnel Manual COMDTINST M1000.6 (series), 12.C.9 and 11.
- Physical (6 months prior to retirement). COMDTINST M1000.6 (series), 12.C.3.a
- Checklist for retirement found in 3PM PPCINST M1000.2 (series), 3.B.22.
- Time In Grade Requirements. Titles 10 and 14 of the U.S. Code establish legal minimum periods that a member must hold a pay grade in order to retire with that grade. Personnel Manual COMDTINST M1000.6 (series), 5 & 6 establish time in grade policies for voluntary retirements.
- Retirement Package sent via e-mail to members' global address 6 months prior to retirement. Package provides complete instructions and forms for retirement. If not received go to: <https://www.dcms.uscg.mil/ppc/ras/RetirementProcessing/>
- Retirement Certificate and Pin must be requested by the member's unit at least 60 days prior to the date planned for the member's retirement ceremony. If not received call SEP (866) 772-8724. To order. <https://www.dcms.uscg.mil/ppc/sep/CertificateRequest/>
- SPO enters SOI at least 60 days prior to the date member goes on terminal leave or date of retirement. Personnel and Pay Procedures Manual (3PM) PPCINST M 1000.2 (series), 3.B.15.
- DD214. Completed by SPO. Member should see a draft copy 30 days prior to retirement and final copy issued by unit on day of retirement. 3PM PPCINST M1000.2 (series), 3.B.15.
- Final active duty pay, final leave settlement, and final W-2 (issued at year-end) for taxable active duty pay. Issued by PPC (SEP) (866) 772-8724.
- Retirement Form CG-2656. Submit at least 6 months prior to your date of retirement and verify receipt.
- DEERS change address on line. [www.tricare.mil/deers](http://www.tricare.mil/deers)
- PPC Web Page – <https://www.dcms.uscg.mil/PPC/>
- Retired pay computation on line – <https://www.dcms.uscg.mil/ppc/ras/retirementEst/>

## Laws Governing Retired Pay

- ⇒ Coast Guard enlisted members and regular officers are retired under authority of Title 14, U.S. Code, and their retired pay is computed under Section 423 of Title 14 and Section 1406(f) of Title 10. Under these provisions, the basic pay rates in effect “at the time of retirement” is used for computing retired pay. Therefore as an example all enlisted members and all regular officers who enter into retirement on the first day of January will have their retirement pay based on the pay scales in effect on 1 January.
- ⇒ Coast Guard warrant officers are retired under authority of Title 10, U.S. Code, and their retired pay is computed under Section 1406(b) of Title 10. Under these provisions, the basic pay rates in effect “on day before retirement” are used for computing retired pay. Therefore as an example all warrant officers who enter into retirement on the first day of January will have their retirement pay based on the pay scales in effect on 31 December of the prior year.

### *Additional information concerning retirement computation for warrant officers:*

- The law and Comptroller General decisions are very explicit that a warrant officer retired under Title 10, Sections 1263, 1293 and 1305 must have his/her retired pay based on the basic pay rates in effect on the day before retirement.
- Article 12.C.6, CG Personnel Manual, provides that Coast Guard warrant officers are retired under Title 10, Sections 1263, 1293, and 1305.
- Prior to May 1954, the Coast Guard retired their warrant officers under Title 14, Sections 303-305, in lieu of Title 10. Sections 303-305 were repealed on 29 May 1954.
- In June 1969, a Comptroller General decision was rendered which allowed the Coast Guard to retire a warrant officer under Title 14, Section 292, in lieu of title 10, Section 1293, and as a result, have his/her retired pay based on the basic pay rates in effect on the date of retirement instead of the day before retirement.
- It does not appear that the 1969 Comptroller General ruling would have applicability today as Article 12.C.5.a, CG Personnel Manual explicitly precludes warrant officers from being retired under Title 14, Section 292 and 291.

## CG-2656 Establishing Your Retired Account

Necessary forms are included in this document and can also be accessed online (link to PPC forms web page is below). Please complete the forms and worksheets legibly. We strongly recommend you fill them out online using the Adobe Acrobat program on the Coast Guard, PHS, or NOAA Standard Workstation. Completion of the Data for Payment of Retired Personnel Form (DD 2656) is **mandatory** to establish your account so you can be **paid on time**.

**The completed form must be scanned and attached to a PPC Help Ticket to PPC (RAS) at least 90 days prior to your date of retirement.**

**PPC (RAS) is now accepting:**

Completed on-line forms with digital signatures (if notary not required).

Completed on-line forms with notary signature, date and stamp that are faxed.

Completed on-line forms with notary signature, date and stamp that are scanned and emailed to [PPC-DGCustomerCare@uscg.mil](mailto:PPC-DGCustomerCare@uscg.mil).

Completed on-line forms with notary signature, date and stamp that are scanned and entered into a help ticket via the Customer Care website at Procedure for Submitting PPC Customer Care Trouble Tickets.

**Forms can be found at:** [www.dcms.uscg.mil/ppc/pd/forms](http://www.dcms.uscg.mil/ppc/pd/forms). Listed

below are some problems frequently noted on the Form 2656:

- Form not signed where required.
- Form not witnessed where required .
- Not signed & witnessed on same date.
- Incomplete or inaccurate state tax request. If no state tax designator is entered, the state defaults to the state listed in your home mailing address.
- Witnessed by relative.
- Current address and phone for contact not provided.

*★ It is very important that we be able to contact you in case we need additional information in order to establish your retired account.*



**DATA FOR PAYMENT OF RETIRED PERSONNEL**

OMB No. 0704-0569  
OMB approval expires:  
20230731

The public reporting burden for this collection of information, 0704-0569, is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or burden reduction suggestions to the Department of Defense, Washington Headquarters Services, at whs.mc-alex.esd.mbx.dd-dod-information-collections@mail.mil. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

**PRIVACY ACT STATEMENT**

**AUTHORITY:** 10 United States Code (U.S.C.) Chapter 71, Computation of Retired Pay; 10 U.S.C. 73, Annuities Based On Retired Or Retainer Pay; DoD Instruction 1332.42, Survivor Benefit Plan; and DoD Financial Management Regulation, 7000.14-R, Volume 7B.

**PRINCIPAL PURPOSE(S):** To collect information needed to establish a retired/retainer pay account, including designation of beneficiaries for unpaid retired pay, state tax withholding election, information on dependents, and to establish a Survivor Benefit Plan election.

**ROUTINE USE(S):** To the Department of Veterans Affairs (DVA) regarding establishments, changes and discontinuing of DVA compensation to retirees and annuitants. To former spouses for purposes of providing information, consistent with the requirements of 10 U.S.C. 1450(f)(3), regarding Survivor Benefit Plan coverage. To spouses for purposes of providing information, consistent with the requirements of 10 U.S.C. 1448(a), regarding Survivor Benefit Plan coverage. Additional routine uses are available in the applicable system of records notice T7347b, Defense Military Retiree and Annuity Pay System Records, available at: <http://dpcl.d.defense.gov/Privacy/SORNsIndex/DOD-wide-SORN-Article-View/Article/570196/t7347b/>

**DISCLOSURE:** Voluntary; however, failure to provide requested information will result in delays in initiating retired/retainer pay.

**WARNING**

*Read the instructions at the end of this form in their entirety prior to completing.*

**PART I - RETIRED PAY INFORMATION**

**SECTION I - PAY IDENTIFICATION**

<b>1. NAME</b> (Last, First, Middle Initial)		<b>2. SSN</b>	<b>3. DATE OF BIRTH</b> (YYYYMMDD)	<b>4. RETIREMENT / TRANSFER DATE</b> (YYYYMMDD)
<b>5. PAY GRADE</b>	<b>6. BRANCH OF SERVICE</b> <input type="checkbox"/> a. ARMY <input type="checkbox"/> b. MARINE CORPS <input type="checkbox"/> c. NAVY <input type="checkbox"/> d. COAST GUARD <input type="checkbox"/> e. AIR FORCE <input type="checkbox"/> f. SPACE FORCE <input type="checkbox"/> g. NOAA <input type="checkbox"/> h. USPHS			
<b>7. MEMBER OR FORMER MEMBER OF THE</b> <input type="checkbox"/> a. REGULAR COMPONENT <input type="checkbox"/> b. RESERVE COMPONENT <i>(all members of the Reserves and National Guard including Active Guard/Reserve and Full-Time Support)</i> <input type="checkbox"/> (1) REGULAR RETIREMENT <input type="checkbox"/> (2) NON-REGULAR RETIREMENT		<b>8. PARTICIPANT IN THE FOLLOWING RETIREMENT PLAN</b> (See instructions, check only one) <input type="checkbox"/> a. FINAL PAY (only those members who first joined the service prior to September 8, 1980) <input type="checkbox"/> b. HIGH-3 (also known as the "High 36") <input type="checkbox"/> c. CSB/REDUX (only members who elected the Career Status Bonus upon completion of 15 years of service) <input type="checkbox"/> d. BLENDED RETIREMENT SYSTEM (BRS) <input type="checkbox"/> e. DISABILITY		

**9. ADDRESS** (Ensure DFAS - Cleveland Center, or the Coast Guard PPC for non-DOD members, is advised whenever your correspondence address changes)

<b>a. STREET</b> (Include apartment number)		<b>b. CITY</b>	<b>c. STATE</b>	<b>d. ZIP CODE</b>	<b>e. COUNTRY</b>
<b>f. APO/FPO</b>	<b>g. TELEPHONE</b> (Incl. area code)	<b>h. EMAIL ADDRESS</b>		<b>i. PREFERRED CONTACT METHOD</b> (check one) <input type="checkbox"/> TELEPHONE <input type="checkbox"/> EMAIL	

**SECTION II - DIRECT DEPOSIT / ELECTRONIC FUND TRANSFER (DD/EFT) INFORMATION** (See Instructions)

ACTIVE DUTY ONLY (check here if you want to continue using financial information currently on file, otherwise fill out Items 10 through 13)

<b>10. ACCOUNT TYPE</b> (Check one) <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS		<b>11. ROUTING NUMBER</b> (See Instructions)	<b>12. ACCOUNT NUMBER</b> (See Instructions)		
<b>13. FINANCIAL INSTITUTION</b>					
<b>a. NAME</b>	<b>b. STREET</b> (Include apartment number)	<b>c. CITY</b>	<b>d. STATE</b>	<b>e. ZIP CODE</b>	

**SECTION III - SEPARATION PAYMENT INFORMATION**

<b>14. a. PAYMENT TYPE RECEIVED</b> (Check one) <input type="checkbox"/> NONE <input type="checkbox"/> DISABILITY SEVERANCE PAY (DSP) <input type="checkbox"/> INVOLUNTARY / VOLUNTARY SEPARATION PAY (SP) <input type="checkbox"/> VOLUNTARY SEPARATION INCENTIVE (VSI) <input type="checkbox"/> SPECIAL SEPARATION BONUS (SSB) <input type="checkbox"/> OTHER			<b>b. GROSS AMOUNT</b>
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NOTE: If any payment type was selected, attach a **COPY OF THE ORDERS** which authorized the payment and a **COPY OF THE DD FORM 214**.

List Of Attachments

<b>MEMBER NAME</b> <i>(Last, First, Middle Initial)</i>	<b>SSN</b>
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**SECTION IV - DEPARTMENT OF VETERANS AFFAIRS (VA) DISABILITY COMPENSATION INFORMATION**

**15. VA DISABILITY COMPENSATION**

<b>a. IN THE EVENT I AM AWARDED DISABILITY COMPENSATION BY THE VA, I WILL NOTIFY DFAS (OR THE COAST GUARD PPC FOR NON-DOD MEMBERS) OF THE AMOUNT OF ANY AWARD, AS IT MAY IMPACT MY RETIRED PAY BENEFIT.</b> <input type="checkbox"/> Agree	<b>b. HAVE YOU APPLIED FOR OR ARE YOU RECEIVING VA COMPENSATION FOR A DISABILITY?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>c. EFFECTIVE DATE OF PAYMENT (YYYYMMDD)</b>	<b>d. MONTHLY AMOUNT OF PAYMENT</b>
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**SECTION V - DESIGNATION OF BENEFICIARIES FOR UNPAID RETIRED PAY** *(See Instructions)*

Check this box if you want to designate your spouse as 100% beneficiary of any unpaid retired pay upon death **OR** complete Item 16.

**16. BENEFICIARY OR BENEFICIARIES INFORMATION**

Complete this section if you want to designate a beneficiary or beneficiaries to receive any unpaid retired pay you are due at death. If you do not complete this section **OR** check the box above, your unpaid retired pay will be distributed to beneficiaries in accordance with 10 U.S.C. §2771.

a. NAME <i>(Last, First, Middle Initial)</i>	b. SSN	c. ADDRESS <i>(Street, City, State, ZIP Code)</i>	d. RELATIONSHIP	e. SHARE
1)				%
2)				%
3)				%
4)				%
5)				%
6)				%

**SECTION VI - FEDERAL INCOME TAX WITHHOLDING INFORMATION** *(Submit information in Items 17 – 21 in lieu of IRS Form W-4 for tax purposes.)*  
 Please refer to the following IRS hyperlink for withholding questions: <https://www.irs.gov/forms-instructions>

<b>17. MARITAL STATUS</b> <i>(Check one)</i>  <input type="checkbox"/> <b>SINGLE OR MARRIED FILING SEPARATELY</b> <input type="checkbox"/> <b>MARRIED FILING JOINTLY</b> <i>(Or qualifying widow/er)</i> <input type="checkbox"/> <b>MARRIED, BUT WITHHOLDING AT THE HIGHER SINGLE RATE</b> <input type="checkbox"/> <b>HEAD OF HOUSEHOLD</b> <i>(Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual)</i>	<b>18. MULTIPLE JOBS OR SPOUSE WORKS</b> <i>(Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs)</i>  Do only one of the following: (a) Use the estimator at <a href="https://www.irs.gov/individuals/tax-withholding-estimator">https://www.irs.gov/individuals/tax-withholding-estimator</a> for most accurate withholding, <b>or</b> (b) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld. <input type="checkbox"/>
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**19. ARE YOU A UNITED STATES CITIZEN?**  Yes  No *(See instructions)*

<b>20. CLAIM DEPENDENTS</b> If your income will be \$200,000 or less (\$400,000 or less if married filing jointly) _____ Number of qualifying children under age 17 <i>(Multiply the number of qualifying children under age 17 by \$2,000)</i>  _____ Number of other dependents <i>(Multiply the number of other dependents by \$500)</i>  <b>Add the amounts above and enter the total here:</b> _____	<b>21. OTHER INCOME</b> <i>(Not from jobs)</i> . If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income: _____  <b>22. DEDUCTIONS</b> If you expect to claim deductions other than the standard deduction and want to reduce your withholding, review the Deductions Worksheet on page 3 of the IRS Form W-4 and enter the result here: <i>(Estimate your deductions this year OR provide previous year's total deductions)</i> _____
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**23. EXTRA WITHHOLDINGS.** Enter any additional tax you want withheld each month: \_\_\_\_\_

**SECTION VII - VOLUNTARY STATE TAX WITHHOLDING INFORMATION** *(Complete only if monthly withholding is desired.)*

<b>24. STATE DESIGNATED TO RECEIVE TAX</b>	<b>25. MONTHLY AMOUNT</b> <i>(Whole dollar amount not less than \$10.00)</i>	<b>26. RESIDENCE ADDRESS</b> <i>(If different from address listed in Item 9)</i>			
		<b>a. STREET</b> <i>(Include apartment number)</i>	<b>b. CITY</b>	<b>c. STATE</b>	<b>d. ZIP CODE</b>

**CUI (when filled in)**

<b>MEMBER NAME</b> <i>(Last, First, Middle Initial)</i>	<b>SSN</b>
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**DO NOT COMPLETE PART II,  
If you ARE NOT covered by the Blended Retirement System OR DO NOT want to elect a lump sum of retired pay**

**PART II - LUMP SUM ELECTION**

**This election must be made NO LATER THAN 90 days prior to the date in Part I, Section I, Item 4, in accordance with 10 U.S.C. §1415  
For example, if the date in Item 4 is June 1, 2018, the date in Item 30.b. must be on or before March 3, 2018**

**SECTION VIII - BRS LUMP SUM ELECTION**

*Members who participate in the BRS retirement plan may upon retirement (regular retirement or age of eligibility to receive retired pay for a non-regular retirement) elect to receive a portion of their retired pay as a lump sum. Lump sum considerations are discussed below. Retiring members should consult with a financial advisor before electing a lump sum of retired pay.*

**27. LUMP SUM PERCENTAGE**

*(Check one only, if electing to receive a LUMP SUM; if no choice is indicated you will default to receiving your full retired pay on a monthly basis)*

- a. I elect to receive a 25 PERCENT lump sum that is a discounted portion of my retired pay for the period from when I am eligible to begin receiving retired pay until I reach full social security retirement age.
  
- b. I elect to receive a 50 PERCENT lump sum that is a discounted portion of my retired pay for the period from when I am eligible to begin receiving retired pay until I reach full social security retirement age.

**28. LUMP SUM PAYMENTS**

*(Check one only. Complete Item 28 only, if electing a LUMP SUM in Item 27)*

**I ELECT TO RECEIVE THE LUMP SUM IN**

- a. **ONE INSTALLMENT**
- b. **TWO EQUAL ANNUAL INSTALLMENTS**
- c. **THREE EQUAL ANNUAL INSTALLMENTS**
- d. **FOUR EQUAL ANNUAL INSTALLMENTS**

**29. LUMP SUM CONSIDERATIONS** (Read the following carefully before signing in Item 30.)

- You are only eligible to elect a lump sum if you are qualified for a Regular or Non-Regular retirement under the Blended Retirement System. If you are retiring with a disability retirement under 10 U.S.C., Chapter 61, you are not eligible to elect a lump sum.
- A lump sum election must be made NO LATER THAN 90 days prior to the date of your retirement (for Regular Retirement) or 90 days prior to the date you are eligible to begin receiving retired pay (for Non-Regular Retirement), as indicated in Part I, Section I, Item 4.
- You may elect to receive either a 25 percent or 50 percent discounted portion of your future estimated retired pay as a discounted lump sum in exchange for reduced monthly retired pay until you reach your full Social Security Retirement Age.
- As a result of electing a lump sum, your monthly retired pay will be reduced to either 75 or 50 percent of its normal amount depending on whether you elect to receive 25 or 50 percent. At full Social Security Retirement Age, your monthly retired pay will be restored in full.
- The discount rate used to calculate your lump sum is the rate published by the Department of Defense in June of the year prior to the year of your retirement or year you first become eligible for retired pay, based on the date in Part I, Section I, Item 4.
- A lump sum payment is earned income for purposes of Federal Income Tax – receipt of it may have significant tax implications.
- The amount of the lump sum is based on your calculated military retired pay, the discount rate in effect for the year in which you retire or become eligible to begin receiving retired pay, and the remaining amount of time until you reach full Social Security Retirement Age. Once distributed, you do not have the ability to seek review of or challenge the amount of the lump sum with regard to any assumptions or factors used to compute the amount of the lump sum.
- Survivor Benefit Plan premiums (Part III) will still be deducted from your remaining monthly retired pay should you elect the lump sum. The premiums and your beneficiary's coverage will be based on the unreduced amount of your monthly retired pay, as if you had not elected a lump sum, unless you indicate otherwise in Item 37 of Part III.
- If you expect to receive a disability rating from the Department of Veterans Affairs, depending upon your rating, your ability to receive disability compensation could be affected by the lump sum.
- It is important to understand that a lifetime of full monthly payments will most likely be worth more than the lump sum with reduced monthly retired pay. It is highly recommended that you consult with a financial counselor before electing a lump sum of retired pay.

**COMPARE YOUR ESTIMATED RETIREMENT BENEFITS WITH OR WITHOUT THE LUMP SUM:**

<http://militarypay.defense.gov/Calculators/>

**30. LUMP SUM ACKNOWLEDGEMENT**

By signing below, I am indicating I am aware that I am electing to receive a discounted portion of my retired pay as a lump sum, and that this lump sum will likely be less than I would have received if I had not elected to receive it. I am aware there are resources available to assist me in making this decision, to include training available on [JKO](#) and the availability of financial counselors that can be located via <https://installations.militaryonesource.mil/> to discuss my personal situation. Additionally, I have reviewed a comparison of my retirement benefits with and without a lump sum. I am aware that once accepted, I may not seek review of, or otherwise challenge the amount of the lump sum, particularly in regard to deviations from future cost of living adjustments, actuarial assumptions, or other factors used in computing this amount.

<b>a. MEMBER SIGNATURE</b> <i>(Sign only if electing a lump sum in Item 28)</i>	<b>b. DATE SIGNED</b> <i>(YYYYMMDD)</i>
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<b>MEMBER NAME</b> (Last, First, Middle Initial)	<b>SSN</b>
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**PART III - SURVIVOR BENEFIT PLAN**

**SECTION IX - DEPENDENCY INFORMATION** (This section must be completed regardless of SBP Election.)

**31. SPOUSE** (If no spouse enter N/A)

<b>a. NAME</b> (Last, First, Middle Initial)	<b>b. SSN</b>	<b>c. DATE OF BIRTH</b> (YYYYMMDD)
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**32. DATE OF MARRIAGE** (YYYYMMDD)

**33. PLACE OF MARRIAGE** (See Instructions)

**34. DEPENDENT CHILDREN** (If no dependent children enter N/A)

Indicate which child or children resulted from marriage to a former spouse by entering (FS) after relationship in column d.  
Add rows or continue on separate paper if necessary.

<b>a. NAME</b> (Last, First, Middle Initial)	<b>b. SSN</b>	<b>c. DATE OF BIRTH</b> (YYYYMMDD)	<b>d. RELATIONSHIP</b> (Son, daughter, stepson, etc.) Designate which children resulted from marriage to a former spouse, if any, by indicating (FS) after the relationship.	<b>e. DISABLED?</b> (If yes, substantiation of disabling condition and onset required. See instructions).
1)				<input type="checkbox"/> Yes <input type="checkbox"/> No
2)				<input type="checkbox"/> Yes <input type="checkbox"/> No
3)				<input type="checkbox"/> Yes <input type="checkbox"/> No
4)				<input type="checkbox"/> Yes <input type="checkbox"/> No

**SECTION X - SURVIVOR BENEFIT PLAN (SBP) ELECTION** (You should consult a Survivor Benefit Plan counselor before making an election.)

If you make no election, maximum coverage will be established for your spouse and/or eligible dependent children

**35. RESERVE COMPONENT ONLY** (This section refers to the decision you previously made on the DD Form 2656-5 or the old form, the DD Form 1883 when you were notified of eligibility to retire, in most cases you do not have the right to make a new election on this form)

Reserve/National Guard members who achieve 20 qualifying years of service make the election to participate in the Reserve Component (RC) SBP on DD Form 2656-5 within 90 days of being notified of eligibility for a non-regular retirement not when applying for retired pay, unless that member previously elected to defer coverage. You must indicate your previous election in Item 35.a. through 35.c. before proceeding to Item 36. If you previously elected Option B or Option C, DO NOT enter an election in Item 36. (Check only one in Item 35.a. through 35.c.) For Active Guard/Reserve and Full-Time Support with a regular retirement, DO NOT enter an election.

- a. OPTION A - Previously declined to make an election until eligible to receive retired pay** (Proceed to Item 36 to make election)
- b. OPTION B - Previously elected coverage to begin at age 60** (Do not make an election in Item 36, 37, or 39, you have already elected coverage.)
- c. OPTION C - Previously elected or defaulted to immediate RC-SBP Coverage** (Do not make an election in Item 36, 37, or 39, you have already elected coverage.)

*NOTE: If you were married and/or had eligible children at the time you were notified of eligibility for non-regular retirement (on or after January 1, 2001) and did not complete DD Form 2656-5, you defaulted to full coverage under OPTION C – do not make an election in Item 36.*

*Marital status has changed since your initial election to participate in RC-SBP.*

- Yes  No If Yes, Attach Page with Explanation

**36. SBP BENEFICIARY CATEGORIES** (Check one only. See Instructions and Section X.)

- a. I ELECT COVERAGE FOR SPOUSE ONLY** I have Dependent Child(ren)  Yes  No
- b. I ELECT COVERAGE FOR SPOUSE AND CHILD(REN)**
- c. I ELECT COVERAGE FOR CHILD(REN) ONLY** (Spouse concurrence required in Part V if 'Yes' is selected) I have a Spouse  Yes  No
- d. I ELECT COVERAGE FOR THE PERSON NAMED IN ITEM 39 WHO HAS AN INSURABLE INTEREST IN ME** (See Instructions)
- e. I ELECT COVERAGE FOR MY FORMER SPOUSE INDICATED IN ITEM 40** (See Instructions)  
Complete DD Form 2656-1, "Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage." Attach/Include court orders or agreements impacting on SBP continuation after divorce.
- f. I ELECT COVERAGE FOR MY FORMER SPOUSE INDICATED IN ITEM 40 AND DEPENDENT CHILD(REN) OF THAT MARRIAGE**  
(See instructions) Complete DD Form 2656-1, "Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage." Attach/Include court orders or agreements impacting on SBP continuation after divorce.
- g. I ELECT NOT TO PARTICIPATE IN SBP** I have eligible dependents under the plan.  
(If currently married spousal concurrence is required.)  Yes  No

**CUI (when filled in)**

<b>MEMBER NAME</b> <i>(Last, First, Middle Initial)</i>	<b>SSN</b>
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**37. SBP LEVEL OF COVERAGE** *(Check one only. Complete UNLESS Option B or Option C was selected in 35 OR Check Box 36.d. or 36.g. was selected. See Instructions. Your base amount will increase by the same rate of increase as your retired pay)*

- a. I ELECT COVERAGE BASED ON FULL GROSS PAY**  
*(If I elected the Career Status Bonus under REDUX or a lump sum of retired pay under the Blended Retirement System (Part II), full gross pay is the amount of retired pay I would have received had I NOT elected the Career Status Bonus or Lump Sum.)*
- b. I ELECT COVERAGE WITH A REDUCED BASE AMOUNT OF**  
*(Spouse concurrence is required in Part V)* \_\_\_\_\_
- c. CSB/REDUX MEMBERS ONLY**
  - I elect coverage based on my actual Reduced Retired Pay Under REDUX.
  - I understand that this represents a Reduced Base Amount and requires Spouse Concurrence in part V.  
*(See Instructions)*
- d. I ELECT COVERAGE BASED ON THE THRESHOLD AMOUNT IN EFFECT ON THE DATE OF RETIREMENT.**  
*(Spouse concurrence is required in Part V)*

**38. SPECIAL NEEDS TRUST** *(Check only if you intend to designate a special needs trust (SNT) as beneficiary for a child/children designated in Item 34.e. as disabled. You must elect either 36.b., 36.c., or 36.f. to be eligible to designate an SNT. See DoDI 1332.42 for procedures for designating an SNT.)*

- I INTEND TO DESIGNATE AN SNT AS BENEFICIARY FOR THE CHILD OR CHILDREN DESIGNATED AS DISABLED IN ITEM 34.**  
*(It is your responsibility to separately submit a written statement of the decision to have the annuity paid to the SNT, an attorney's certification of that SNT, and the name and tax identification number for the SNT)*

**39. INSURABLE INTEREST BENEFICIARY** *(See instructions prior to completing this section - DO NOT complete if you have an ELIGIBLE SPOUSE or FORMER SPOUSE)*

<b>a. NAME</b> <i>(Last, First, Middle Initial)</i>	<b>b. SSN</b>	<b>c. DATE OF BIRTH</b> <i>(YYYYMMDD)</i>	<b>d. RELATIONSHIP</b>
<b>e. STREET</b> <i>(Include apartment number)</i>	<b>f. CITY</b>		<b>g. STATE</b> <b>h. ZIP CODE</b>
<b>i. TELEPHONE</b> <i>(Incl. area code)</i>	<b>j. EMAIL ADDRESS</b>		

**40. FORMER SPOUSE INFORMATION** *(Complete only if you have a former spouse)*

<b>a. NAME</b> <i>(Last, First, Middle Initial)</i>	<b>b. SSN</b>	<b>c. DATE OF BIRTH</b> <i>(YYYYMMDD)</i>	<b>d. DATE OF DIVORCE</b> <i>(YYYYMMDD)</i>
<b>e. DATE OF MARRIAGE TO FORMER SPOUSE</b> <i>(YYYYMMDD)</i>	<b>f. TELEPHONE</b> <i>(Incl. area code)</i>		<b>g. EMAIL ADDRESS</b>
<b>h. HAS YOUR FORMER SPOUSE REMARRIED?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No			

<b>MEMBER NAME</b> <i>(Last, First, Middle Initial)</i>	<b>SSN</b>
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**PART IV – CERTIFICATION**

**SECTION XI - CERTIFICATION**

**41. MEMBER** *(DATE SIGNED must be before the date of retirement listed in Part I, Section I, Item 4)*

Under penalties of perjury, I certify that the number of claim dependents stated is accurate to my knowledge and does not exceed the number to which I am entitled, and that all statements on this form are made with full knowledge of the penalties for making false statements (18 U.S.C. §287 and §1001) of not more than a \$10,000 fine, or 5 years in prison, or both. Also, I understand that if I am married and I elected less than full SBP coverage for my spouse, with the exception of a former spouse or former spouse and child election, I will need my spouse's notarized concurrence signed no earlier than the date of my signature and prior to the date of my retirement; otherwise, by law, I will automatically be covered at the maximum spouse coverage.

<b>a. NAME</b> <i>(Last, First, Middle Initial)</i>	<b>b. SIGNATURE</b>	<b>c. DATE SIGNED</b> <i>(YYYYMMDD)</i>
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**42. WITNESS** *(This cannot be a spouse or dependent child or any other beneficiary listed on this form or anyone under the age of majority)*  
Witness date MUST match the member's date.

<b>a. NAME</b> <i>(Last, First, Middle Initial)</i>	<b>b. SIGNATURE</b>	<b>c. DATE SIGNED</b> <i>(YYYYMMDD)</i>
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**d. RELATIONSHIP TO THE RETIRING MEMBER**

<b>e. ADDRESS</b>	<b>f. CITY/BASE OR POST</b>	<b>g. STATE</b>	<b>h. ZIP CODE</b>
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**PART V – SPOUSE SBP CONCURRENCE**

Required ONLY when the member is married and elects either: (a) child only SBP coverage, (b) does not elect full spouse SBP coverage; or (c) declines SBP coverage. This is not required for any former spouse or former spouse and child elections. The date of the spouse's signature in Item 43.c. MUST NOT be before the date of the member's signature in Item 41.c., or on or after the date of retirement listed in Part I, Section I, Item 4. The spouse's signature MUST be notarized. Electronic signatures are allowed.

**SECTION XII - SBP SPOUSE CONCURRENCE**

**43. SPOUSE**

I hereby concur with the Survivor Benefit Plan election made by my spouse. I have received information that explains the options available and the effects of those options. I know that retired pay stops on the day the retiree dies. I have signed this statement of my own free will.

<b>a. NAME</b> <i>(Last, First, Middle Initial)</i>		
<b>b. TELEPHONE</b> <i>(Incl. area code)</i>	<b>c. EMAIL ADDRESS</b>	
<b>d. SIGNATURE</b>	<b>e. DATE SIGNED</b> <i>(YYYYMMDD)</i>	

**44. NOTARY WITNESS** *(Please stamp using a notary seal)*

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned notary public, personally appeared *(Name of Spouse in Item 43.a.)* \_\_\_\_\_ provided to me through satisfactory evidence of identification, which were \_\_\_\_\_, to be the person whose name is signed in Item 43.a. of this document in my presence.

**Signature of Notary** \_\_\_\_\_ **My Commission Expires** \_\_\_\_\_

**NOTARY SEAL**

## INSTRUCTIONS

**GENERAL**

1. Read these instructions and Privacy Act Statement carefully before completing the data form.
2. The Defense Finance and Accounting Service (DFAS) - Cleveland Center will establish your retired/retainer pay account based on the data provided on this form and your retirement/transfer orders. Your personnel office, disbursing/finance office, and SBP Counselor will assist you in the proper completion and submission of this form. You should maintain these instructions along with a copy of the form as a permanent record. Please complete the form electronically or by typing or printing in ink. The Coast Guard Pay and Personnel Center (CG-PPC) will establish the retired pay account for retiring Coast Guard, USPHS, and NOAA members
3. Ensure that you promptly advise DFAS - Cleveland Center of changes to your marital/family status and any changes to your correspondence address or direct deposit information. Gray Area retirees (retired reservists who are not yet eligible for retired pay) should contact their Reserve Component directly to report changes. Retired members of the Coast Guard, USPHS or NOAA should contact the CG-PPC.
4. If completed electronically, this form automatically disables certain fields based on information you entered. If one of the items listed below does not appear on the form, it is due to information you previously entered that indicates this item is not applicable to you.

**PART I - RETIRED PAY INFORMATION****SECTION I - PAY IDENTIFICATION.**

**ITEMS 1 through 3.** Self-explanatory.

**ITEM 4.** If you are retiring from active service, enter the date you will transfer to the Fleet Reserve or date of retirement. If you are a Reserve/National Guard member qualified to retire under 10 U.S.C., Chapter 1223, enter either the date of your 60th birthday or, a later date on which you desire to begin receiving retired pay. If you are eligible for reduced age retirement earlier than your 60th birthday, you will need to enter that date.

**ITEMS 5 and 6.** Self-explanatory.

**ITEM 7.** Indicate whether you are (or were) a member of the Regular Component or a member of the Reserve Component. The Reserve Component includes all reserve and National Guard members, including full-time reservists on active duty, such as Active Guard/Reserves (AGR) and Full-Time Support (FTS). If in the Reserve Component, indicate the type of retirement, regular or non-regular retirement.

**ITEM 8.** Indicate which retirement plan covers you:

- If your Date of Initial Entry into Military Service (DIEMS) is prior to September 8, 1980, you should enter "Final Pay" UNLESS you elected to opt into the Blended Retirement System.
- If your DIEMS is on or after September 8, 1980, but before January 1, 2018, you should enter "High-3" UNLESS you elected to participate in the CSB/REDUX retirement plan or the Blended Retirement System (BRS).
- If your DIEMS is on or after August 1, 1986, AND you elected to receive the Career Status Bonus (CSB) upon completion of 15 years of service, you should enter "CSB/REDUX."
- If you elected to opt into the Blended Retirement System, OR your DIEMS is on or after January 1, 2018, you should enter "Blended Retirement System."
- If you are retiring with a disability retirement, regardless of your DIEMS enter "Disability."

**ITEM 9.** Self-explanatory.

**SECTION II - DIRECT DEPOSIT/ELECTRONIC FUND TRANSFER INFORMATION.**

**ITEMS 10 through 13.** Enter the routing and account information for your bank or financial institution. Indicate whether your account is (S) for Savings or (C) for Checking account in Item 10. Also, provide the nine digit Routing Transit Number (RTN) of your financial institution in Item 11, your account number in Item 12, and your financial institution name and address in Item 13. This section must be completed. Your net retired/retainer pay must be sent to your financial institution by direct deposit/electronic fund transfer (DD/EFT).

**REGULAR COMPONENT RETIREES ONLY:** If you are directing your retired pay to the same account number and financial institution to which you directed your active duty pay, check the box immediately below "Section II". If you have a copy of the Direct Deposit Authorization form used to establish your DD/EFT for your active duty pay, attach a copy to this form.

**SECTION III - SEPARATION PAYMENT INFORMATION.**

**ITEM 14.** Indicate in 14.a. if you previously received separation or severance pay. If you mark one of the boxes in 14.a., complete 14.b. by entering the gross amount for Severance, (In)voluntary Separation, Separation Incentive and Special Separation Bonus payments and the annual installment gross amount for Voluntary Separation Incentive payments. Attach a copy of the orders that authorized the payment and a copy of previous DD Form 214.

**SECTION IV - VA DISABILITY COMPENSATION.**

**ITEM 15.** All retirees must read and acknowledge Item 15.a. Note that if you later apply for and are awarded VA disability compensation, you must notify DFAS - Cleveland Center (Retired members of the Coast Guard, PHS or NOAA should contact the CG-PPC) of the amount of the award. Indicate in Item 15.b. if you are currently, or have previously, received or applied for VA disability compensation. If you mark YES in 15.b., complete 15.c., and 15.d.

**SECTION V - DESIGNATION OF BENEFICIARIES FOR UNPAID RETIRED PAY.**

**ITEM 16.** Upon your death, 10 U.S.C. §2771 provides that any pay due and unpaid will be paid to the surviving person highest on the following list: (1) beneficiary(ies) designated in writing; (2) your spouse; (3) your children and their descendants, by representation; (4) your parents in equal parts, or if either is dead, the survivor; (5) the legal representative of your estate, and (6) person(s) entitled under the law of your domicile. You may choose to designate your spouse as the primary beneficiary for 100% of your unpaid retired pay by checking the box directly below "Section V" and leaving items 16.a. through 16.e. blank. If you choose to designate a different beneficiary or beneficiaries, you must complete Items 16.a. through 16.e. If you designate multiple beneficiaries, you can either provide a SHARE percentage to be paid to each person or leave the SHARE percentage blank. If you leave the SHARE percentage blank, any retired pay you are owed when you die will be divided equally among your designated beneficiaries. If you list more than one person with a 100% SHARE, the beneficiaries will be paid in the order as you list them on the form. If, for example, you designate two beneficiaries, then the SHARE percentage must either be 100% for each beneficiary, or the SHARE percentages when added together must equal 100%. If you designate more than one person, and the total percentage designated is greater than 100%, the person listed first is considered the primary beneficiary. If you check the box designating your spouse as 100% beneficiary, that election will take precedence over any designation made in Items 16.a. through 16.e.

If you do not designate a beneficiary or beneficiaries in Item 16, or all designated beneficiaries have died before the date of your death, any unpaid retired pay will be paid to the living person or persons in the highest category of beneficiary listed above, as required by law.

**SECTION VI - FEDERAL INCOME TAX WITHHOLDING INFORMATION.**

Complete this section after determining your dependents with the aid of your disbursing/finance office, or from the instructions available on IRS Form W-4, or other available IRS publications. Leave Items 17 through 19 blank if completing Item 20.

**ITEM 17.** Mark the status you desire to claim.

**ITEM 18.** This refers to the whole dollar amounts of total withholding(s) claimed.

**ITEM 19.** If you are not a U.S. citizen, provide, on an additional sheet, a list of all periods of ACTIVE DUTY served in the continental U.S., Alaska, and Hawaii. Indicate periods of service by year and month only. List only service at shore activities; do not report service aboard a ship.

*For example:*

FROM (Year/Month)	DUTY STATION	TO (Year/Month)
2021/06	NAVSTA, Norfolk, VA	2021/07

NOTE: This information may affect the portion of retired/retainer pay which is taxable in accordance with the Internal Revenue Code if you maintain a permanent residence outside the U.S., Alaska, or Hawaii.

**ITEM 20.** Enter the dollar amount as they relate to claim dependents.

**ITEM 21.** Enter other income that is not from jobs. This may include interest, dividends, and retirement income.

**ITEM 22.** Enter deductions if you expect to claim deductions other than the standard deduction and want to reduce your withholdings.

**ITEM 23.** Enter extra withholdings. Enter any additional tax you want withheld each month. If exempt from Federal taxes, enter 'EXEMPT'.

#### **SECTION VII - VOLUNTARY STATE TAX WITHHOLDING.**

Complete this section only if you want monthly state tax withholding. If you choose not to have a monthly deduction, you remain liable for state taxes, if applicable.

**ITEM 24.** Enter the name of the state for which you desire state tax withheld.

**ITEM 25.** Enter the dollar amount you want deducted from your monthly retired/retainer pay. This amount must not be less than \$10.00 and in whole dollars (Example: \$50.00, not \$50.25).

**ITEM 26.** Enter only if different from the address in Item 9.

#### **PART II - LUMP SUM ELECTION.**

**OPTIONAL.** Only complete Part II if you are:

- Covered under the Blended Retirement System; AND,
- Want to elect a partial lump sum of retired pay

If you ARE NOT covered under the Blended Retirement System or DO NOT want to elect a partial lump sum, proceed to PART III of the form.

#### **SECTION VIII - BLENDED RETIREMENT SYSTEM LUMP SUM ELECTION.**

**ITEM 27.** Indicate in Item 27.a. or 27.b. whether you intend to receive a 25 percent or 50 percent lump sum of retired pay.

**ITEM 28.** If indicating in Item 27.a. or 27.b. that you desire to receive a lump sum of retired pay, indicate in 28.a. through 28.d. whether you would like that in one payment or a series of equal, annual installments over 2, 3, or 4 years.

**ITEM 29.** Before signing in Item 30, you must read the considerations listed in Item 29. You are highly encouraged to review your options with a financial professional and compare your estimated retirement benefits with or without a lump sum using the online calculator located at

<https://militarypay.defense.gov/calculators/BRB>.

**ITEM 30.** If you mark Items 27 and Items 28, you must sign Item 30.a., and indicate the date you are signing in 30.b. The date in 30.b. must be at least 90 days prior to the date of your retirement or the date you transfer to the Fleet Reserve (shown in Item 4, this is also the same date indicated on your DD 108 request for retirement). If you are a Reserve/National Guard member qualified to receive retired pay with a non-regular retirement, the date in 27.b. must be 90 days prior to the date upon which you will be eligible to begin receiving retired pay (shown in Item 4, this is also the same date indicated on your DD 108 request for retirement).

If you are NOT electing a lump sum of retired pay, DO NOT SIGN Item 30.

#### **PART III - SURVIVOR BENEFIT PLAN.**

It is very important that you are counseled and are fully aware of your options under the Survivor Benefit Plan (SBP). SBP pays your eligible beneficiary or beneficiaries an inflation-protected annuity, based on your retired pay, in the event of your death. The cost of SBP is subsidized by the government, but you will be required to pay a portion of the cost of SBP through deductions from your retired pay. All retiring active duty members and all members of the Reserves / National Guard who complete 20 qualifying years of service are automatically fully covered under the SBP or the Reserve Component SBP (RC-SBP) unless electing to reduce or decline this coverage. Special requirements for reducing or declining coverage are provided in Part III.

#### **SECTION IX - DEPENDENCY INFORMATION.**

**ITEM 31.** Provide your spouse's name, SSN, and date of birth. If no current spouse, enter "N/A" and proceed to Item 34.

**ITEMS 32 and 33.** Enter the date and location of your marriage to your current spouse. In Item 32, if marriage occurred outside the United States, include city, province, and name of country.

**ITEM 34.** If you do not have dependent children, enter "N/A" in this Item. If you do have dependent children, provide the requested information. Designate which children resulted from marriage to a former spouse, if any, by indicating (FS) after the relationship in Item 34.d.

**ITEM 34.e.** Enter YES or NO as appropriate. A disabled child is an unmarried child who meets one of the following conditions: a child who has become incapable of self-support before the age of 18 or a child who has become incapable of self-support after the age of 18 but before age 22 while a full-time student. Substantiation is required. Submit a medical evaluation prepared by a medical professional showing the disabling condition, the age of onset of the condition, the past medical history and how the condition precludes the potential beneficiary from being-self supporting now and in the future. If answering yes, attach documentation.

#### **SECTION X - SURVIVOR BENEFIT PLAN (SBP) ELECTION.**

In this section, you will be able to indicate your desired SBP election and designate the beneficiary for SBP in the event of your death. If you make no election, you will automatically receive maximum coverage for all eligible family members (spouse and/or children). If you elect to reduce or decline your coverage, your spouse will have to concur with that decision, with the exception of a former spouse or former spouse and child election. You may discontinue your SBP participation within one year after the second anniversary of the commencement of retired/retainer pay. Termination of SBP is effective the first of the month after DFAS - Cleveland Center (or the Coast Guard PPC for non-DOD members) receives the SBP disenrollment request. There will be no refund of SBP costs paid for the period before the SBP disenrollment. You are advised to consult with a SBP Counselor or Retirement Services Officer prior to completing this section.

**ITEM 35. RESERVE COMPONENT ONLY.** Information to complete this section can be found on the DD Form 2656-5 or the previous DD Form 1883, you submitted when you were first notified that you had completed 20 years of creditable service, known as your "Notification of Eligibility (NOE)." If you received your NOE prior to January 1, 2001 and did not make an election within 90 days of your NOE, RC-SBP was declined by default. Reserve or National Guard members who previously completed 20 qualifying years of service are automatically covered under the RC-SBP unless electing, within 90 days of receiving their Notification of Eligibility, to decline this coverage. Indicate in Item 35.a., 35.b., or 35.c. your previous election. If you elected immediate coverage (Item 35.c., or "Option C"), elected coverage to begin at age 60 (Item 35.b., or "Option B") or made no election previously, this remains your coverage and cannot be changed. However, Reserve/National Guard members who declined to make an election until reaching the age of eligibility to receive retired pay (Item 35.a., or "Option A"), or who were unmarried and had no eligible children at initial RC-SBP election and made no subsequent RC-SBP election must complete Items 36 and 37 (and Items 38 through 40 if applicable). If you elected either Immediate (Option C) or Deferred (Option B) RC-SBP coverage and the elected beneficiary is no longer eligible, provide supporting documentation with this form.



**ITEM 36.** Enter your desired coverage in Items 36.a. through 36.g. You may only select one Item. If you elect 36.a., 36.c., or 36.g., you MUST also indicate whether you are declining coverage for other eligible dependents.

**ITEM 36.d.** Mark if you are not married, have no eligible children, and desire coverage for a person with an insurable interest in you, and provide the requested information about that person in Item 39. A person designated as an insurable interest beneficiary must have a reasonable and lawful basis, founded upon the relationship of parties to each other, either pecuniary or of blood or affinity, to expect some benefit or advantage from the continuance of the life of the retiree. Proof of financial benefit from the continuance of the life of the member is required for persons other than your (former) spouse or child(ren). An election of this type must be based on your full gross retired/retainer pay. If the person is a non-relative or as distantly related as a cousin, attach evidence that the person has a financial interest in the continuance of your life. Under provisions of Public Law 103-337, you are permitted to withdraw from insurable interest coverage at any time. Such a withdrawal will be effective on the first day of the month following the month the request is received by DFAS - Cleveland Center (or the Coast Guard PPC for non-DOD members). Therefore, no refund of SBP costs collected before the effective date of withdrawal will be paid.

**ITEMS 36.e and 36.f.** Mark Item 36.e. if you elect coverage for a former spouse. Mark Item 36.f. if you desire coverage for a former spouse and dependent child(ren) of that marriage, and provide the requested information about these children in Item 34 as appropriate. Provide a certified photocopy of final decree that includes separation agreement or property settlement which discusses SBP for former spouse coverage. The DD Form 2656-1, "Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage," must also be completed and accompany the completed DD Form 2656 to DFAS - Cleveland Center (or the Coast Guard PPC for non-DOD members).

**ITEM 36.g.** Mark if you decline coverage under SBP. If married and declining coverage, Items 43 and 44 of Part V, Section XI MUST be completed.

**ITEM 37.** This Item allows you to designate the amount of your retired pay that will be the "base amount" for determining your SBP premiums and the resulting SBP annuity. If you make no entry, you will default to the full base amount.

**ITEM 37.a.** Mark if you desire the coverage to be based on your full gross retired/retainer pay. For members who previously elected the Career Status Bonus (CSB) or members covered by the Blended Retirement System who elect a lump sum of retired pay, the full gross retired/retainer pay is what your retired pay would have been had you not elected (CSB) or the lump sum.

**ITEM 37.b.** Mark if you desire the coverage to be based on a reduced portion of your retired/retainer pay. This reduced amount may not be less than \$300.00. If your gross retired/retainer pay is less than \$300.00, the full gross pay is automatically used as the base amount. Enter the desired amount in the space provided to the right of this Item.

**ITEM 37.c.** Used by a REDUX member who wants coverage based on actual retired pay received under REDUX. If this option is selected, Items 43 and 44 of Part V must be completed, if married.

**ITEM 37.d.** Mark if you desire the higher threshold amount in effect on the date of your retirement to be used as your base amount. If this option is selected, Items 43 and 44 of Part V must be completed, if married.

**ITEM 38.** You may elect payment of the SBP benefit, for beneficiary categories designated in Items 36.b., 36.c., or 36.f., to a special needs trust (SNT) who meets the criteria of a disabled child for SBP, and is indicated as such in Item 34.e. of these instructions. You must provide to DFAS - Cleveland Center (or the Coast Guard PPC for non-DOD members) a copy of the SNT established for the child, documents to support the child is incapable of self-support, age when incapacitated, and if temporary or permanent, and separate statement from an actively licensed attorney certifying that the Trust is an SNT created for the benefit of the child and is in compliance with all applicable federal and state laws. Additional procedures for establishing an SNT as SBP beneficiary are in DoDI 1332.42.

**ITEM 39.** Enter the information for insurable interest beneficiary. See instruction for Item 36.d.

**ITEM 40.** Enter the information for your former spouse, if applicable.

#### **PART IV - CERTIFICATION.**

#### **SECTION XI - CERTIFICATION**

**ITEM 41.** Read the statement carefully, then sign your name and indicate the date of signature. For your SBP election to be valid, you must sign and date the form prior to the effective date of your retirement/transfer, or the date you are eligible to begin receiving retired pay. (Note: if you elected a lump sum of retired pay in Part II, this form must be signed and dated no later than 90 days prior to your retirement/transfer date, or the date you are eligible to begin receiving retired pay).

**ITEM 42.** A witness to your signature must also sign and provide their information in Items 42.a. through 42.g. A witness cannot be named as beneficiary in Sections V, IX or X.

#### **PART V - SPOUSE SBP CONCURRENCE**

#### **SECTION XII - SBP SPOUSE CONCURRENCE.**

Completion of this section is required only in certain circumstances if you declined to elect SBP coverage, elected less than the maximum coverage, or elected child-only coverage while having an eligible spouse. If you are completing this form electronically and this section does not appear, you do not have to obtain spousal concurrence.

**ITEM 43.** 10 U.S.C. §1448 requires that an otherwise eligible spouse concur if the member declines to elect SBP coverage, elects less than maximum coverage, or elects child-only coverage. This is not required for any former spouse or former spouse and child election. Therefore, a member with an eligible spouse upon retirement, who elects any combination other than Items 36.a. or 36.b. AND 37.a. must obtain the spouse's concurrence in Section XII, with the exception of an election of Item 36.e. or 36.f. If the current eligible spouse concurs with declining the SBP election, that spouse will need to provide their phone number and email address in boxes b. and c. By signing Item 43, you are concurring with the Survivor Benefit Plan election made by your spouse.

**ITEM 44.** A Notary Public must witness the signature of the spouse in Item 44. This witness cannot be a named beneficiary in Section V, IX, or X. The spouse's concurrence must be obtained and dated on or after the date of the member's election, but before the retirement / transfer date. If concurrence is not obtained when required, maximum coverage will be established for your spouse and child(ren) if appropriate.

## Retired Pay Computation - (3 formulas)

When did you enter the service?

\* Prior to 8 September 1980 - 20 years = 50% of base pay.

Computation is 2-1/2% per year X base pay on date of retirement.

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\* Between 8 September 1980 and 31 July 1986; and after 31 July 1986 if you did not take the 15 year bonus. - 20 years = 50% of average of high 36 months.

Computation is 2-1/2% per year X average of highest 36 months of active duty.

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\* After 31 July 1986 (REDUX) if 15 year bonus was taken - 20 years = 40% of average of high 36 months.

Computation is 2-1/2% per year, less 1% for each year less than 30 years X the average of highest 36 months of active duty.

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### Considerations in Computing Retired Pay

- Your highest grade held
- Active Duty Base Date (ADBD) - *Designates time served on active duty and determines multiplier (percentage) to be used for retired pay computation. (Only active duty time applies)*
- Pay Base Date (PBD) - *Designates what Pay Scale will be used to establish retired pay. (Active & inactive time applies)*
- Date Initial Entry Military Service (DIEMS) - *Designates retirement law that will be used for retirement)*
- 10% for Heroism 4946.40sted. USCG Pay Manual COMDTINST M7220.29A, 16.A.5.
- Reserve Points
- Base pay from current active duty pay scale.

## Computation Of Non-Disability Retired Pay

*Members who entered Service Prior to 8 September 1980:*

- ✓ Regular Officers and Enlisted based on basic pay rates in effect on the first day of retirement. Warrant Officers based on basic pay rates in effect on the day before date of retirement. *Please see page 4.*
- ✓ 2.5% for each full year of creditable active service. *(Pro-rated percentage given for each additional full month. See Exhibit #1, page 18.)*
- ✓ Maximum retired pay is 75%

★ Example: E-7 retires with 20 years, 1 month active service

\$5,473.20	(base pay for E-7)
<u>x .5020</u>	(see exhibit 1, conversion table included.)
<u>\$2,747.355</u>	<b>Gross retired pay</b>

*Members who entered Service between 8 September 1980 and 31 July 1986 and those after 31 July 1986 who did not take the 15 year bonus:*

- ✓ Retired pay computation based on average of member's highest 36 months basic pay of active service only.
- ✓ 2.5% for each full year of creditable active service. *(Pro-rated percentage given for each additional full month. See exhibit #1, page 18.)*
- ✓ Maximum retired pay is 75%

★ Example: Member retires with 20 years active service. The average of the member's highest 36 months basic pay is \$1,500.00.

\$1,500.00	(average high 36 months)
<u>x .5000</u>	(see exhibit 1 conversion table included.)
<u>\$ 750.00</u>	<b>Gross retired pay</b>

## Computation Of Non-Disability Retired Pay (Continued)

*Members who entered Service after 31 July 1986 and took the 15 year bonus: (REDUX Retirement – Please see note below.)*

- ✓ Retired pay computation based on average of member's highest 36 months basic pay of active service only.
- ✓ Receive reduced percentage of retired pay, e.g. 40% upon completion of 20 years active service. (See exhibit 2, page 19.)
- ★ Example: Member retires with 20 years active service. The average of the member's highest 36 months basic pay is \$1,500.00.

\$1,500.00	(average high 36 months)
<u>x .4000</u>	(see exhibit 2, page 19.)
<u>\$ 600.00</u>	Gross retired pay

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### NOTES

- Members who have prior reserve service will receive additional credit for such reserve service. One year of retirement credit is given for each group of 360 reserve points earned. For example, if a member retiring from active duty with 20 years active service had prior reserve time and earned 720 points in the reserve, the member's retired pay will be based on 22 years active service.
- If a member held a higher grade than the one held at retirement, the Coast Guard may authorize retired pay to be based on such higher grade.
- The FY-2000 DoD Authorization Act repealed/modified the REDUX retirement law. Effective October 1999 those entering the service after July 1986 will have a choice at 15 years of service: \$30K immediate bonus and stay in REDUX; or no bonus and move to pre-1986 high-three retirement system as explained above.

## Disability Retired Pay

*Members with over 20 years service:*

The member's retired pay will be the greater of:

- ✓ Basic Pay (or high 36 month average) times percentage of disability;  
or
- ✓ Basic pay (or high 36 month average) times years of service times 2.5%.
  
- ✓ The maximum percentage allowed is 75%.
  
- ✓ If member was in the service on 24 September 1975, the portion of CG retired pay attributable to disability is tax exempt.

★ Example: E-7 with 20 years service has 80% disability.

Retired pay based on disability:	\$5,743.20 basic pay
x 75% (max)	\$4,307.00 per month

Retired pay based on service time:	\$5,743.20 basic pay
x 50%	\$2,871.00 per month

*In this example member would receive retired pay based on disability (\$4,307.00 per month.) This total amount would be tax exempt.*

★ Example: O-5 with 26 years service has 60% disability:

Retired pay based on disability:	\$10,861.80 basic pay
x 60%	\$ 6,517.00 per month

Retired pay based on service time:	\$10,861.80 basic pay
x 65%	\$ 7,060.00 per month

*In this example member would receive retired pay based on service time (\$7,060.00 per month.) Of this amount, \$6,517.00 would be tax exempt, and \$543.00 per month would be taxable.*

The above provisions have no impact on the tax-exempt status of Veterans Administration (VA) disability compensation. VA disability compensation is tax-exempt regardless of when the member entered the service. However, members who receive both VA disability compensation and Coast Guard disability retired pay are allowed a tax exclusion only for the amount which is greater.

Table 3-4. Post-1981 – Pre-2018 Retirement Percentage Multiplier Conversions (Continued)

POST-1981 – PRE-2018 RETIREMENT PERCENTAGE MULTIPLIER CONVERSIONS											
Service Multiplier			Service Multiplier			Service Multiplier			Service Multiplier		
Years	Months	(%)	Years	Months	(%)	Years	Months	(%)	Years	Months	(%)
12		30.00	15		37.50	18		45.00	21		52.50
12	1	30.20	15	1	37.70	18	1	45.20	21	1	52.70
12	2	30.43	15	2	37.93	18	2	45.43	21	2	52.93
12	3	30.63	15	3	38.13	18	3	45.63	21	3	53.13
12	4	30.83	15	4	38.33	18	4	45.83	21	4	53.33
12	5	31.05	15	5	38.55	18	5	46.05	21	5	53.55
12	6	31.25	15	6	38.75	18	6	46.25	21	6	53.75
12	7	31.45	15	7	38.95	18	7	46.45	21	7	53.95
12	8	31.68	15	8	39.18	18	8	46.68	21	8	54.18
12	9	31.88	15	9	39.38	18	9	46.88	21	9	54.38
12	10	32.08	15	10	39.58	18	10	47.08	21	10	54.58
12	11	32.30	15	11	39.80	18	11	47.30	21	11	54.80
13		32.50	16		40.00	19		47.50	22		55.00
13	1	32.70	16	1	40.20	19	1	47.70	22	1	55.20
13	2	32.93	16	2	40.43	19	2	47.93	22	2	55.43
13	3	33.13	16	3	40.63	19	3	48.13	22	3	55.63
13	4	33.33	16	4	40.83	19	4	48.33	22	4	55.83
13	5	33.55	16	5	41.05	19	5	48.55	22	5	56.05
13	6	33.75	16	6	41.25	19	6	48.75	22	6	56.25
13	7	33.95	16	7	41.45	19	7	48.95	22	7	56.45
13	8	34.18	16	8	41.68	19	8	49.18	22	8	56.68
13	9	34.38	16	9	41.88	19	9	49.38	22	9	56.88
13	10	34.58	16	10	42.08	19	10	49.58	22	10	57.08
13	11	34.80	16	11	42.30	19	11	49.80	22	11	57.30
14		35.00	17		42.50	20		50.00	23		57.50
14	1	35.20	17	1	42.70	20	1	50.20	23	1	57.70
14	2	35.43	17	2	42.93	20	2	50.43	23	2	57.93
14	3	35.63	17	3	43.13	20	3	50.63	23	3	58.13
14	4	35.83	17	4	43.33	20	4	50.83	23	4	58.33
14	5	36.05	17	5	43.55	20	5	51.05	23	5	58.55
14	6	36.25	17	6	43.75	20	6	51.25	23	6	58.75
14	7	36.45	17	7	43.95	20	7	51.45	23	7	58.95
14	8	36.68	17	8	44.18	20	8	51.68	23	8	59.18
14	9	36.88	17	9	44.38	20	9	51.88	23	9	59.38
14	10	37.08	17	10	44.58	20	10	52.08	23	10	59.58
14	11	37.30	17	11	44.80	20	11	52.30	23	11	59.80

Table 3-4. Post-1981 – Pre-2018 Retirement Percentage Multiplier Conversions (Continued)

POST-1981 – PRE-2018 RETIREMENT PERCENTAGE MULTIPLIER CONVERSIONS											
Service Multiplier			Service Multiplier			Service Multiplier			Service Multiplier		
Years	Months	(%)	Years	Months	(%)	Years	Months	(%)	Years	Months	(%)
24		60.00	27		67.50	30		75.00	33		82.50
24	1	60.20	27	1	67.70	30	1	75.20	33	1	82.70
24	2	60.43	27	2	67.93	30	2	75.43	33	2	82.93
24	3	60.63	27	3	68.13	30	3	75.63	33	3	83.13
24	4	60.83	27	4	68.33	30	4	75.83	33	4	83.33
24	5	61.05	27	5	68.55	30	5	76.05	33	5	83.55
24	6	61.25	27	6	68.75	30	6	76.25	33	6	83.75
24	7	61.45	27	7	68.95	30	7	76.45	33	7	83.95
24	8	61.68	27	8	69.18	30	8	76.68	33	8	84.18
24	9	61.88	27	9	69.38	30	9	76.88	33	9	84.38
24	10	62.08	27	10	69.58	30	10	77.08	33	10	84.58
24	11	62.30	27	11	69.80	30	11	77.30	33	11	84.80
25		62.50	28		70.00	31		77.50	34		85.00
25	1	62.70	28	1	70.20	31	1	77.70	34	1	85.20
25	2	62.93	28	2	70.43	31	2	77.93	34	2	85.43
25	3	63.13	28	3	70.63	31	3	78.13	34	3	85.63
25	4	63.33	28	4	70.83	31	4	78.33	34	4	85.83
25	5	63.55	28	5	71.05	31	5	78.55	34	5	86.05
25	6	63.75	28	6	71.25	31	6	78.75	34	6	86.25
25	7	63.95	28	7	71.45	31	7	78.95	34	7	86.45
25	8	64.18	28	8	71.68	31	8	79.18	34	8	86.68
25	9	64.38	28	9	71.88	31	9	79.38	34	9	86.88
25	10	64.58	28	10	72.08	31	10	79.58	34	10	87.08
25	11	64.80	28	11	72.30	31	11	79.80	34	11	87.30
26		65.00	29		72.50	32		80.00	35		87.50
26	1	65.20	29	1	72.70	32	1	80.20	35	1	87.70
26	2	65.43	29	2	72.93	32	2	80.43	35	2	87.93
26	3	65.63	29	3	73.13	32	3	80.63	35	3	88.13
26	4	65.83	29	4	73.33	32	4	80.83	35	4	88.33
26	5	66.05	29	5	73.55	32	5	81.05	35	5	88.55
26	6	66.25	29	6	73.75	32	6	81.25	35	6	88.75
26	7	66.45	29	7	73.95	32	7	81.45	35	7	88.95
26	8	66.68	29	8	74.18	32	8	81.68	35	8	89.18
26	9	66.88	29	9	74.38	32	9	81.88	35	9	89.38
26	10	67.08	29	10	74.58	32	10	82.08	35	10	89.58
26	11	67.30	29	11	74.80	32	11	82.30	35	11	89.80

Table 3-4. Post-1981 – Pre-2018 Retirement Percentage Multiplier Conversions (Continued)

POST-1981 – PRE-2018 RETIREMENT PERCENTAGE MULTIPLIER CONVERSIONS											
Service Multiplier			Service Multiplier			Service Multiplier			Service Multiplier		
Years	Months	(%)	Years	Months	(%)	Years	Months	(%)	Years	Months	(%)
36		90.00	38		95.00	40		100.00	42		105.00
36	1	90.20	38	1	95.20	40	1	100.20	42	1	105.20
36	2	90.43	38	2	95.43	40	2	100.43	42	2	105.43
36	3	90.63	38	3	95.63	40	3	100.63	42	3	105.63
36	4	90.83	38	4	95.83	40	4	100.83	42	4	105.83
36	5	91.05	38	5	96.05	40	5	101.05	42	5	106.05
36	6	91.25	38	6	96.25	40	6	101.25	42	6	106.25
36	7	91.45	38	7	96.45	40	7	101.45	42	7	106.45
36	8	91.68	38	8	96.68	40	8	101.68	42	8	106.68
36	9	91.88	38	9	96.88	40	9	101.88	42	9	106.88
36	10	92.08	38	10	97.08	40	10	102.08	42	10	107.08
36	11	92.30	38	11	97.30	40	11	102.30	42	11	107.30
37		92.50	39		97.50	41		102.50	43		107.50
37	1	92.70	39	1	97.70	41	1	102.70	43	1	107.70
37	2	92.93	39	2	97.93	41	2	102.93	43	2	107.93
37	3	93.13	39	3	98.13	41	3	103.13	43	3	108.13
37	4	93.33	39	4	98.33	41	4	103.33	43	4	108.33
37	5	93.55	39	5	98.55	41	5	103.55	43	5	108.55
37	6	93.75	39	6	98.75	41	6	103.75	43	6	108.75
37	7	93.95	39	7	98.95	41	7	103.95	43	7	108.95
37	8	94.18	39	8	99.18	41	8	104.18	43	8	109.18
37	9	94.38	39	9	99.38	41	9	104.38	43	9	109.38
37	10	94.58	39	10	99.58	41	10	104.58	43	10	109.58
37	11	94.80	39	11	99.80	41	11	104.80	43	11	109.80

**NOTE:** To derive multipliers for service in excess of 43 years and 11 months, divide the number of whole months by 12, compute the quotient to three digits, round to two digits, and add this to the number of years. Then, multiply by .025.

Example 1: 20 years, 7 months, 13 days  
 $7 \text{ months} \div 12 = .583 (.58)$   
 $20.58 \times .025 = 51.45\%$

Example 2: 44 years, 8 months, 28 days  
 $8 \text{ months} \div 12 = .667 (.67)$   
 $44.67 \times .025 = 111.68\%$

Exception: Members who retire between January 1, 1982 and September 30, 1983 and meet requirements of paragraph 2.7 will round service credit of 6 months or more, as shown on the Table.



Table 3-5. Effective January 1, 2018 BRS Percentage Multiplier Conversions (Continued)

<b>BRS PERCENTAGE MULTIPLIER CONVERSIONS - EFFECTIVE JANUARY 1, 2018</b>											
<b>Service Multiplier</b>			<b>Service Multiplier</b>			<b>Service Multiplier</b>			<b>Service Multiplier</b>		
<b>Years</b>	<b>Months</b>	<b>(%)</b>	<b>Years</b>	<b>Months</b>	<b>(%)</b>	<b>Years</b>	<b>Months</b>	<b>(%)</b>	<b>Years</b>	<b>Months</b>	<b>(%)</b>
12		24.00	15		30.00	18		36.00	21		42
12	1	24.17	15	1	30.17	18	1	36.17	21	1	42.18
12	2	24.34	15	2	30.34	18	2	36.34	21	2	42.34
12	3	24.50	15	3	30.51	18	3	36.51	21	3	42.51
12	4	24.67	15	4	30.67	18	4	36.67	21	4	42.68
12	5	24.84	15	5	30.84	18	5	36.84	21	5	42.84
12	6	25.01	15	6	31.01	18	6	37.01	21	6	43.01
12	7	25.17	15	7	31.17	18	7	37.17	21	7	43.18
12	8	25.34	15	8	31.34	18	8	37.34	21	8	43.34
12	9	25.51	15	9	31.51	18	9	37.51	21	9	43.51
12	10	25.67	15	10	31.67	18	10	37.67	21	10	43.68
12	11	25.84	15	11	31.84	18	11	37.84	21	11	43.84
13		26.00	16		32.00	19		38.00	22		44.00
13	1	26.17	16	1	32.17	19	1	38.17	22	1	44.18
13	2	26.34	16	2	32.34	19	2	38.34	22	2	44.34
13	3	26.51	16	3	32.51	19	3	38.51	22	3	44.51
13	4	26.67	16	4	32.67	19	4	38.67	22	4	44.68
13	5	26.84	16	5	32.84	19	5	38.84	22	5	44.84
13	6	27.01	16	6	33.01	19	6	39.01	22	6	45.01
13	7	27.17	16	7	33.17	19	7	39.17	22	7	45.18
13	8	27.34	16	8	33.34	19	8	39.34	22	8	45.34
13	9	27.51	16	9	33.51	19	9	39.51	22	9	45.51
13	10	27.67	16	10	33.67	19	10	39.67	22	10	45.68
13	11	27.84	16	11	33.84	19	11	39.84	22	11	45.84
14		28.00	17		34.00	20		40.00	23		46.00
14	1	28.17	17	1	34.17	20	1	40.17	23	1	46.18
14	2	28.34	17	2	34.34	20	2	40.34	23	2	46.34
14	3	28.51	17	3	34.51	20	3	40.51	23	3	46.51
14	4	28.67	17	4	34.67	20	4	40.67	23	4	46.68
14	5	28.84	17	5	34.84	20	5	40.84	23	5	46.84
14	6	29.01	17	6	35.01	20	6	41.01	23	6	47.01
14	7	29.17	17	7	35.17	20	7	41.16	23	7	47.18
14	8	29.34	17	8	35.34	20	8	41.34	23	8	47.34
14	9	29.51	17	9	35.51	20	9	41.51	23	9	47.51
14	10	29.67	17	10	35.67	20	10	41.67	23	10	47.68
14	11	29.84	17	11	35.84	20	11	41.84	23	11	47.84

Table 3-5. Effective January 1, 2018 BRS Percentage Multiplier Conversions (Continued)

BRS PERCENTAGE MULTIPLIER CONVERSIONS - EFFECTIVE JANUARY 1, 2018											
Service Multiplier			Service Multiplier			Service Multiplier			Service Multiplier		
Years	Months	(%)	Years	Months	(%)	Years	Months	(%)	Years	Months	(%)
24		48.00	27		54.00	30		60.00	33		66.00
24	1	48.18	27	1	54.18	30	1	60.18	33	1	66.18
24	2	48.34	27	2	54.34	30	2	60.35	33	2	66.35
24	3	48.51	27	3	54.51	30	3	60.51	33	3	66.51
24	4	48.68	27	4	54.68	30	4	60.68	33	4	66.68
24	5	48.84	27	5	54.84	30	5	60.85	33	5	66.85
24	6	49.01	27	6	55.01	30	6	61.01	33	6	67.01
24	7	49.18	27	7	55.18	30	7	61.18	33	7	67.18
24	8	49.34	27	8	55.34	30	8	61.35	33	8	67.35
24	9	49.51	27	9	55.51	30	9	61.51	33	9	67.51
24	10	49.68	27	10	55.68	30	10	61.68	33	10	67.68
24	11	49.84	27	11	55.84	30	11	61.85	33	11	67.85
25		50.00	28		56.00	31		62.00	34		68.00
25	1	50.18	28	1	56.18	31	1	62.18	34	1	68.18
25	2	50.34	28	2	56.34	31	2	62.35	34	2	68.35
25	3	50.51	28	3	56.51	31	3	62.51	34	3	68.51
25	4	50.68	28	4	56.68	31	4	62.68	34	4	68.68
25	5	50.84	28	5	56.84	31	5	62.85	34	5	68.85
25	6	51.01	28	6	57.01	31	6	63.01	34	6	69.01
25	7	51.18	28	7	57.18	31	7	63.18	34	7	69.18
25	8	51.34	28	8	57.34	31	8	63.35	34	8	69.35
25	9	51.51	28	9	57.51	31	9	63.51	34	9	69.51
25	10	51.68	28	10	57.68	31	10	63.68	34	10	69.68
25	11	51.84	28	11	57.84	31	11	63.85	34	11	69.85
26		52.00	29		58.00	32		64.00	35		70.00
26	1	52.18	29	1	58.18	32	1	64.18	35	1	70.18
26	2	52.34	29	2	58.35	32	2	64.35	35	2	70.35
26	3	52.51	29	3	58.51	32	3	64.51	35	3	70.51
26	4	52.68	29	4	58.68	32	4	64.68	35	4	70.68
26	5	52.84	29	5	58.85	32	5	64.85	35	5	70.85
26	6	53.01	29	6	59.01	32	6	65.01	35	6	71.01
26	7	53.18	29	7	59.18	32	7	65.18	35	7	71.18
26	8	53.34	29	8	59.35	32	8	65.35	35	8	71.35
26	9	53.51	29	9	59.51	32	9	65.51	35	9	71.51
26	10	53.68	29	10	59.68	32	10	65.68	35	10	71.68
26	11	53.84	29	11	59.85	32	11	65.85	35	11	71.85

Table 3-5. Effective January 1, 2018 BRS Percentage Multiplier Conversions (Continued)

BRS PERCENTAGE MULTIPLIER CONVERSIONS - EFFECTIVE JANUARY 1, 2018											
Service Multiplier			Service Multiplier			Service Multiplier			Service Multiplier		
Years	Months	(%)	Years	Months	(%)	Years	Months	(%)	Years	Months	(%)
36		72.00	38		76.00	40		80.00	42		84.00
36	1	72.18	38	1	76.18	40	1	80.18	42	1	84.18
36	2	72.35	38	2	76.35	40	2	80.35	42	2	84.35
36	3	72.51	38	3	76.52	40	3	80.52	42	3	84.52
36	4	72.68	38	4	76.68	40	4	80.68	42	4	84.68
36	5	72.85	38	5	76.85	40	5	80.85	42	5	84.85
36	6	73.01	38	6	77.02	40	6	81.02	42	6	85.02
36	7	73.18	38	7	77.18	40	7	81.18	42	7	85.18
36	8	73.35	38	8	77.35	40	8	81.35	42	8	85.35
36	9	73.51	38	9	77.52	40	9	81.52	42	9	85.52
36	10	73.68	38	10	77.68	40	10	81.68	42	10	85.68
36	11	73.85	38	11	77.85	40	11	81.85	42	11	85.85
37		74.00	39		78.00	41		82.00	43		86.00
37	1	74.18	39	1	78.18	41	1	82.18	43	1	86.18
37	2	74.35	39	2	78.35	41	2	82.35	43	2	86.35
37	3	74.51	39	3	78.52	41	3	82.52	43	3	86.52
37	4	74.68	39	4	78.68	41	4	82.68	43	4	86.68
37	5	74.85	39	5	78.85	41	5	82.85	43	5	86.85
37	6	75.02	39	6	79.02	41	6	83.02	43	6	87.02
37	7	75.18	39	7	79.18	41	7	83.18	43	7	87.18
37	8	75.35	39	8	79.35	41	8	83.35	43	8	87.35
37	9	75.52	39	9	79.52	41	9	83.52	43	9	87.52
37	10	75.68	39	10	79.68	41	10	83.68	43	10	87.68
37	11	75.85	39	11	79.85	41	11	83.85	43	11	87.85

**NOTE:** To derive multipliers for service in excess of 43 years and 11 months, divide the number of whole months by 12, compute the quotient to three digits, round to two digits, and add this to the number of years. Then, multiply by .02.

Example 1: 20 years, 7 months, 13 days  
 $7 \text{ months} \div 12 = .583 (.58)$   
 $20.58 \times .02 = 41.16\%$

Example 2: 44 years, 8 months, 28 days  
 $8 \text{ months} \div 12 = .667 (.67)$   
 $44.67 \times .02 = 89.34\%$

## Veterans Administration (VA) Disability Compensation

- Retired members who receive disability compensation from the VA have their retired pay reduced for each dollar of VA compensation received. If the amount of VA compensation exceeds retired pay, retired pay stops.
- The major advantage of VA compensation is that it is tax-free
- Members with a VA disability rating of 30 percent or more receive an additional allowance for dependents.
- DAV and VFW are Service Organizations who may assist you with your VA claim.

Rates of VA Compensation effective December 2022

<u>% of Disability</u>	<u>Rate</u>
10%	\$165.92
20%	\$327.99
30%	\$508.05
40%	\$731.86
50%	\$1,041.82
60%	\$1,319.65
70%	\$1,663.06
80%	\$1,933.15
90%	\$2,172.39
100%	\$3,621.95

Note: Disability ratings awarded by the Department of Veterans Affairs are separate ratings and do not have any impact on a disability rating that may have been awarded by the *Coast Guard*.

**If you are awarded VA compensation and it is not being deducted from your retired pay, you will need to notify PPC immediately at (866) 772-8724.**

## **COMBAT RELATED SPECIAL COMPENSATION FOR DISABLED RETIREES**

Combat-Related Special Compensation (CRSC) was authorized by the FY 2003 National Defense Authorization Act (P.L. 107-314, sec. 636) for certain retirees with combat- or operations-related disabilities.

Eligible Retirees: Must meet certain criteria. Retirees are not eligible if they have waived military retired pay to credit military service toward their civil service retirement, or for any other reason, other than to receive Department of Veterans Affairs (DVA) disability compensation.

Application Processing: Eligible retirees must apply for CRSC using the approved application form [DD-2860](#) in accordance with the instructions published on the form.

Processing times have not been established, however, payments will be retroactive to June 1, 2003, for those determined to have qualifying disabilities that existed as of that date.

The Coast Guard (PSC-adm-1) will determine which disabilities qualify under the above criteria and notify applicants of their decision. Applicants who qualify for CRSC will have their applications forwarded to the Retiree & Annuitant Services Branch of the Pay & Personnel Center (RAS) for computation of the actual CRSC payment.

**Effective January 1, 2004**, CRSC eligibility was extended to retirees with combat-related VA disability ratings between 10% and 50%. Additionally, reservists needed only 20 years of qualifying service in order to be eligible. The other eligibility requirements remained unchanged.

Temporary Early Retirement Authorization (TERA) retirees are not eligible to receive CRSC unless they have returned to active duty and accumulated enough service time to meet the 20-year requirement before retiring for the second time.

## **CONCURRENT DISABILITY PAYMENTS OF RETIRED PAY & VA DISABILITY COMPENSATION**

The FY 2004 National Defense Authorization Act (P.L. 108-136, sec. 641) authorized Concurrent Disability Payments (CDP). Section 641 of the Act approves the phase-in of full concurrent receipt of military retired pay and veterans' disability compensation for certain military retirees. Member's veterans' disability compensation must have been rated at 50 percent or higher to be eligible. In general, this change authorizes "a member of the uniformed services who is entitled for any month to retired pay and who is also entitled for that month to veterans' disability compensation for a qualifying service-connected disability is entitled to be paid both for that month without regard to Sections 5304 and 5305 of Title 38, U.S. Code. The phase-in begins January 1, 2004 and ends on December 31, 2013. This act also repealed Section 1413, Title 10, U.S. Code, which was the SCFSDR.

Eligible Retirees: Any Regular, Reserve, or Disability retiree with at least 20 years of creditable service that has been rated 50% or higher by the Department of Veterans Affairs (DVA).

The CRDP is taxable income, except in limited circumstances, and is reported on a Form 1099-R unless member qualifies for tax exclusion as follows:

- Retiree was a member of the Armed Forces on or before 24 September 1975.
- Member receives payment by reason of a combat-related injury.

A person who is a qualified retiree under the above guidelines and is also an eligible CRSC disabled retiree may receive special compensation in accordance with the CRSC law or retired pay in accordance with above guidelines, but not both.

## Allotment Information

**All of your allotments will be automatically stopped on the active duty pay system.**

The Retired Allotment Authorization Form (CG-7221) is an optional form. Submit to PPC (RAS) whenever you want to start, stop or change an allotment or bond. Any allotments you request to be carried forward will be restarted in the retired pay system. The types of allotments authorized for continuation into retirement are listed on the reverse side of the form. Instructions for filling out the form (CG-7221) are on the form itself. The form can also be obtained from our web site:

[www.dcms.uscg.mil/ppc/pd/forms](http://www.dcms.uscg.mil/ppc/pd/forms). You can also use Direct Access Self-Service to start, stop or change allotments. Visit <https://www.dcms.uscg.mil/ppc/ras/gp> for more information.

If you elect to carry allotments forward from active duty, you may do so by making a copy of your active duty Payslip (Direct Access "View My Payslip" page), lining out the allotments you want stopped, and sending it to PPC (RAS) with your Data for Payment of Retired Personnel Form (DD 2656).

All allotments must be made by direct deposit.

In order to start a new allotment, you need to provide a signed letter request, including your account number, the name of the financial institution, and a voided check or pre-printed deposit slip; or provide the information in the EFT section of the Retired Allotment Authorization Form (CG-7221) or simply notify PPC (RAS) or use Self-Service to start it yourself.

Your active duty allotments will be paid through your final month of active duty and deducted from your separation pay.

In the event the number of allotments paid from your active duty pay exceeds available entitlements, then the overpayment will be collected from your retired pay account. Typically, this would happen only if your retirement date is other than the first of the month.

SGLI (active duty) continues for 120 days after separation from active duty at no cost to you. Information concerning conversion to VGLI will be sent to you by the Office of Servicemembers Group Life Insurance. VGLI allotments must be started through the Office of Service Members' Group Life. Their number is 1-800-419-1473.

Premium deductions for the Federal Employees Dental and Vision Insurance Program (FEDVIP) are not made via allotment. When you enroll in the program you are authorizing the provider(s) to make a deduction each month from your retired account. Cancellations or changes must also be made directly through the provider(s). You will find provider contact information at: <https://tricare.benefeds.com/InfoPortal/indexAction>.

Allotments are not authorized for CFC.

DEPARTMENT OF HOMELAND SECURITY U.S. COAST GUARD CG-5209(REV 6-03)		<b>U.S. COAST GUARD LEAVE AND EARNINGS STATEMENT</b>				MEMBER COPY NAME/ INIT. JONES /JP													
1. Period Covered 01-31 JAN 18		2. SSN 123-45-6789		3. Pay Base Date 80-01-23		4. AD Base Date 80-01-23		5. Exp Ad Term Date 00-01-30		6. Exp Lows Date 00-01-30									
YOUR NET PAY	7. Mid Mo 788.10	<b>PAY SENT TO</b>				<b>LEAVE INFORMATION</b>													
	8. End Mo 787.11	9. Acct Nr. 12345678				11. Bal BF 18 0		12. Fam 2 5		13. Ubal 1 0		14. SoldPd 0 0		15. Bal Com 19 5		16. LoePrFY 0 0		17. SoldCd 0 0	
18. USCGR Tra/Pay Cat:		19. Name YN2 JOHN P JONES				NEXT MONTH PAY PERIOD ESTIMATES													
20. Rank/Rate/Grade E-5		22. Mailing Address 2409 ROLE BLV JABRONI KS 66604-3020																	
21. Cost Code: 47400 PERSRU: 53-47400-02 Unit OPFAC: 53-47400		23. Date 00-02-15		Amount 787.56		24. Date 00-03-01		Amount 798.92											
25. ENTITLEMENTS				26. ALLOTMENTS				27. DEDUCTIONS											
BASIC PAY		1433 70		SAVINGS 001B		300 00		ENL BAS REG		8 38									
CLOTHING STD		21 42		CFG 004B		4 00		SGLI		16 00									
ENL BAS REG		251 40						SINGLE DENTAL		8 09									
LVRATS		7 43						FEDERAL TAX		148 18									
BAH WITH DEP		452 59						FICA TAX		109 68									
TOTALS		2166 54				301 00				290 33									
PAY BREAKDOWN FOR THIS PERIOD						STATE INCOME TAX INFORMATION													
28. Amount BF 00		29. Entitlements 2166 54		30. Allotments 301 00		31. Deductions 290 33		32. Net Earnings 1575 21		33. Amt to be CF 00		34. Income YTD 00		35. Tax W/H YTD 00		36. Exempt		37. Legal Residence MI	
FEDERAL TAX INFORMATION										BUY U.S. SAVINGS BONDS									
38. Tax Inc This PD 1433 70		39. Income YTD 12603 00		40. Tax W/H YTD 1288 58		41. Allowances S 01		42. Add'l W/H 00				43. FICA Wages 1433 70		44. FICA Wage YTD 12603 00		45. FICA Tax YTD 964 13			

**REMARKS ARE ON BACK**

- PLEASE VERIFY YOUR ADDRESS SHOWN IN BLOCK 22 OF THIS LES. IF IT IS NOT YOUR CORRECT MAILING ADDRESS, PLEASE PROVIDE A NEW ADDRESS TO YOUR PERSRU.
- YOU CAN MAKE A DIFFERENCE BY DECIDING TO BECOME AN ORGAN DONOR, WHICH CAN POTENTIALLY SAVE OR IMPROVE THE LIVES OF UP TO 50 PEOPLE. FOR MORE INFORMATION ON ORGAN DONATION, CALL 1 800 452-1369.
- THE COAST GUARD AUXILIARY IS A VOLUNTEER CIVILIAN ORGANIZATION. AUXILIARY MEMBERSHIP IS OPEN TO ALL CURRENT ACTIVE DUTY, RESERVE, OR FORMER MEMBERS OF THE COAST GUARD. FOR MORE INFORMATION, CONTACT: [WWW.CGAUX.ORG/PUBLIC/TBJOIN.HTM](http://WWW.CGAUX.ORG/PUBLIC/TBJOIN.HTM) OR CALL 1 800 GET-USCG.
- THIS LES REFLECTS TRANSACTIONS PROCESSED AS OF 18SEP98.
- 30.0 DAYS LEAVE EARNED AND 31.0 DAYS LEAVE USED TO DATE IN FY98.
- MOST RECENT DATE OF ASSIGNMENT DATA FORM IS 29FEB96
- CHARGED 01DAYS REGULAR LEAVE FOR PERIOD 04SEP98 TO 04SEP98.



**Department of Homeland Security**  
 U. S. Coast Guard  
 CG-7221 (Rev. 01/2010)

## Retired Allotment Authorization Form

Employee ID	Name (Last, First, MI)	Rank/Rate
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**PURPOSE:** Use this form to start, stop, or change an allotment and to report a change of address to an allotment

**Purpose of request:**

Start Allotment     
  Stop Allotment     
  Change Allotment     
  Change of Allotment Address

Blanket Code (If known): _____	Stop Amount: _____	(Applies to Stops & Changes) Enter allotment title/name from pay slip: _____ _____
Start Amount: _____	Month of Last Deduction: _____	
Month of First Deduction: _____		
For payment dated: _____		

**ALLOTMENT TYPE** Enter type of allotment (B,D,H,I,L,M,N,O,S,T, or X) from table on reverse of this form:

**ELECTRONIC FUNDS TRANSFER (EFT) INFORMATION** Complete if allotment is to be paid by EFT

Type of Account       Savings       Checking

**Allotee Name**  
 (person/company who will receive allotment)

**Routing Transit Number (RTN)**       Check Digit

(can be obtained from the financial institution or found on the bottom of a check or deposit slip)

**Account Number**

**Account Title**

\_\_\_\_\_

(Account Holder's Name)

**Financial Institution Name**

\_\_\_\_\_

### Table of Rules

Code	Limit	Type	Use
S	One	Savings	Payable to any financial institution, other than a finance company, provided the institution is capable of receiving payment through Electronic Fund Transfer (EFT).
H	One	Mortgage	Payable for loans for the purchase of a home, mobile home or trailer used as a residence by the retiree.
N	One	NSLI	National Service Life Insurance premiums.
L	No Limit	Loan	Payable ONLY to Coast Guard Mutual Assistance or morale fund offices and the allotment MUST have a stop date.
T	No Limit	Indebtedness	Payable to IRS or other Government agency and MUST have a stop date.
I	No Limit	Insurance	Payable to any insurance company for payments of insurance premiums for the life of the retiree or retiree and family.
D	No Limit	Dependent	Support of dependents, including a former spouse.
X	No Limit	Dues	Payable to CPOA, CWOA, Academy Alumni Association, Coast Guard Foundation, Naval Aviation Museum Foundation, and CGHQ Mutual Assistance Campaign.
I	One	VGLI	Payable to the Office of Servicemember's Group Life Insurance (OSGLI) for Veterans Group Life Insurance. This allotment cannot be started through PPC--it must be started through OSGLI, Newark, NJ, ☎1 800 419-1473
M	One	Insurance	Payable to the Navy Mutual Aid Association.
O	One	AAFES	Army Air Force Exchange Service DPP Program

<p><b>Privacy Act Statement:</b> In accordance with 5 USC Section 522a(e)(3), the following information is provided to you when supplying personal information to the U.S.</p> <p>Coast Guard: Authority - 10 USC Section 2771. Principal Purpose(s) - Used to indicate the type of allotment member requested. Routine Use(s) - Updating allotment information. Disclosure - Disclosure is voluntary</p>	Member's Signature	Date:
	<b>For PPC Use Only</b>	
	Action Completed:	Initials: _____
	Date: _____	

## Garnishment

May be court ordered to enforce child support and/or alimony obligations.

Are carried forward from Active Duty.

### LIMITATIONS:

*50% x Net Disposable Earnings (NDE)*  
*55% x NDE if more than 12 weeks in arrears.*  
*60% x NDE if NOT supporting second family.*  
*65% x NDE if more than 12 weeks in arrears.*

**TOTAL MAXIMUM: 65% x NDE – if combined with FSPA**

NDE Computation equals Gross Pay less –

*Amounts owed to the United States*  
*Amounts required by law to be deducted*  
*SBP spouse & child costs*  
*VA disability compensation*

Note: Internal Revenue Tax Levy deduction is based on number of allowable exemptions as established by IRS.

# F S P A

## FORMER SPOUSE PROTECTION ACT

A former spouse may receive direct payments from a member's retired pay for Alimony, Child Support or Division of Retired Pay as Marital Property.

### Purpose of Deduction

### Rules that Apply

Alimony

*No minimum length of marriage*

*No minimum length of military service*

*Deduction normally limited to 50% of "Disposable Retired Pay"*

Child Support

*No minimum length of marriage*

*No minimum length of military service*

*Deduction can be as much as 50% of "Disposable Retired Pay"*

### For PPC Enforcement

Community Property  
or

Property Division

*Ten years of marriage while member was in the military service*

*Deduction can be as much as 50% of "Disposable Retired Pay"*

# Taxes

## **Federal Income Tax Withholding (FITW)**

- ◆ There is a new W4 form as of January 2020. (Several changes in how they want it calculated)
- ◆ Additional tax may be withheld in even dollar amount.

## **State Income Tax Withholding (SITW)**

- ◆ Each State has different laws concerning taxability of retired pay.
- ◆ SITW is optional by request of retiree.
- ◆ Information on State tax requirements may be found in the Retired Military Almanac.
- ◆ Retiree may elect to have SITW withheld from retired pay if residing in one of the states that has an agreement with DoD for SITW. List of states that currently have an agreement may be found in this handout.
- ◆ The amount of withholding is not based on marital status or number of exemptions claimed. Retiree must specify monthly amount to be withheld of at least \$10.00 and in even dollar increments.

## **More Tax Information**

- ◆ Retired Pay is not subject to Social Security Withholding (*FICA*.)
- ◆ The 1099R (*tax statement*), mailed annually, is sent to the home mailing address we have for you on the retired pay system. The 1099R is normally mailed during the month of January.

## States with an Agreement to Withhold State Tax (SITW) from Military Retired Pay

This is a current list of States that have an agreement with the Coast Guard to withhold State taxes. [This does not mean that all of these States tax retired pay.](#) For example, Kansas does not tax military retired pay; however, if a member wants Kansas state tax withheld from his/her pay, we can withhold it because we have an agreement with them.

### List of States

Alabama	Kansas	North Carolina
Arizona	Louisiana	North Dakota
Arkansas	Maine	Ohio
California	Maryland	Oklahoma
Colorado	Massachusetts	Oregon
Connecticut	Minnesota	Rhode Island
Delaware	Missouri	South Carolina
District of Columbia	Montana	Utah
Georgia	Nebraska	Vermont
Idaho	New Jersey	Virginia
Indiana	New Mexico	West Virginia
Iowa	New York	Wisconsin

**Reminder:** Withholding of state tax is voluntary. If your state has an agreement with us and you would like state tax withheld, you should send your request in writing, provide the amount of monthly withholding of at least \$10.00, in even dollar increments or you can use the self service system to change your SITW.

**Note:** States with Agreement for withholding is subject to change at any time.

If no state tax withholding is requested, the state of residence is sent the taxable gross information each year. For example if you live in North Carolina and work in Virginia, unless otherwise instructed the taxable amount of Coast Guard retired pay will be reported to North Carolina each year.

Changing a home mailing address does not automatically change the SITW information. If you want to change the state tax identifier, please update it on the self service system or send PPC a written request to do so.

## **RETIREE/ANNUITANT PAY STATEMENT (RAS Statement)**

- The RAS Statement is your “LES” in retirement.
- The Statement is only sent when your retired pay changes. They are not issued monthly like active LES’.
- The Statement is produced and sent at least once a year when you receive a Cost-of-Living Adjustment (COLA). Other than that it is only issued when a change has occurred to your retired pay account.
- Correct home mailing address is very important. If three pieces of mail are returned to RAS your pay is held until we can contact you.
- The Statement gives you an opportunity to review for accuracy, dates of birth and SBP information.
- The reverse of your Statement will provide remarks about the change made to your retired account.

DEPARTMENT OF HOMELAND SECURITY U.S. COAST GUARD CG-3209-RET (REV 12-07)	<b>U.S. COAST GUARD                  RETIREE/ANNUITANT                  STATEMENT OF MONTHLY INCOME</b>
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Period Covered 1-31 DEC 2008	Pay Grade E6	Employee ID	Pay Delivery EFT
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<b>BIRTHDATES FOR SBP PURPOSES</b>	<b>SBP INFORMATION</b>
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Member 1967-JUL-28	Beneficiary/Spouse N/A	Youngest Child 2003-OCT-22	Coverage Type 1-Child	Base Amount 1645.19	Annuity 905.00
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ENTITLEMENTS	OLD	NEW	DEDUCTIONS	OLD	NEW
RETIRED PAY	1555.00	1645.00	VA COMP	811.00	857.00
CRDP	595.00	628.00	SBP-CH PREMIUM	6.69	7.07
<b>TOTAL ENTITLEMENTS</b>	<b>2150.00</b>	<b>2273.00</b>	COURT GARN	666.16	704.47
ALLOTMENTS	OLD	NEW			
DEPENDENT	400.00	400.00			
<b>TOTAL ALLOTMENTS</b>	<b>400.00</b>	<b>400.00</b>	<b>TOTAL DEDUCTIONS</b>	<b>1483.85</b>	<b>1568.54</b>

<b>YOUR NET PAY</b>	Old Amt 266.15	Name BM1	USCG RET	Bank Name Rbs Citizens, Nation	Route Nbr 211070175	Amount 304.46
	New Amt 304.46					

<b>FEDERAL TAXES</b>	<b>STATE TAXES</b>
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Exemptions S/4	Mo Tax Income 1408.93	Income YTD 1408.93	Withheld YTD 0.00	State #1	Withheld YTD 0.00	State #2	Withheld YTD
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COMMENTS ARE ON REVERSE SIDE

**REMARKS:**

This Pay Slip reflects a Cost of Living Adjustment effective 1 December 2008. The percentage of your COLA is:

Date of Retirement	Entered Service Before 8 Sep 80	Entered Service After 7 Sep 80 and No 15-Year Bonus	Entered Service After 31 Jul 86 and 15-Year Bonus
Before 1/1/2008	5.8%	5.8%	4.8%
1/1/2008 thru 3/31/2008	5.0%	5.0%	4.2%
4/1/2008 thru 6/30/2008	5.0%	3.8%	3.3%
7/1/2008 thru 9/30/2008	5.0%	1.2%	1.0%
10/1/2008 thru 12/31/2008	5.0%	0.0%	0.0%

**YOUR PAY DATA CHANGES:**

- RETIRED PAY HAS CHANGED DUE TO STATUS CHANGE OR COLA ADJUSTMENT
- CONCURRENT RETIREMENT DISABILITY PAYMENT (CRDP) CHANGED
- VA OFFSET DEDUCTION AMOUNT CHANGED
- SBP CHILD PREMIUM CHANGED
- COURT ORDERED GARNISHMENT DEDUCTION CHANGED

**IF YOU HAVE QUESTIONS, CONTACT:**

COMMANDING OFFICER (RAS)  
 USCG PERSONNEL SERVICE CENTER  
 444 SE QUINCY STREET  
 TOPEKA, KS, 66683-3591 PHONE: 1-800-772-8724

RETIRED PAY RECORDS ARE COMPUTER  
 MATCHED WITH OTHER FEDERAL  
 EMPLOYMENT AND BENEFIT RECORDS  
 FOR DEBT PURPOSES.  
 BE SURE TO VERIFY ALL DATES OF BIRTH  
 LISTED ABOVE FOR DEERS PURPOSES.  
 BUY U.S. SAVINGS BONDS



## Differences In Retired And Active Duty Pay

	<b>Retired Pay</b>	<b>VS</b>	<b>Active Duty</b>
<b>Pay Day</b>	Once per month First Calendar day of month <i>(defaults backward if weekend)</i>		Twice per month First Calendar day of month <i>(defaults backward if weekend)</i>
<b>Notice of Account (LES's)</b>	Issued only when change occurs (RAS Statement)		Issued every month (LES)
<b>Pay Change Request</b>	No form required <i>(written request or update self service system)</i>		Prescribed CG Form
<b>Taxable Income</b>	Form 1099R		Form W-2
<b>SPO Support</b>	PPC (RAS) 1 866 772-8724		SPO
<b>Retiree Newsletter</b>	Issued Quarterly & mailed to your home		None
<b>Cost-of-Living Allowances</b>	Partial COLA first year Full COLA thereafter		Full Pay Raises each year

## Retired Cost Of Living Adjustments (COLA's)

\* Each December (unless changed by Congress), military retired pay and SBP annuities receive a Cost of Living Adjustment (COLA) to account for inflation. The COLA is reflected in the retired payment received the last working day of December.

The retired pay COLA for those who first became a member of a Uniformed Service before September 8, 1980, is specified according to the effective date of their retirement, as follows:

<u>Retired Pay Based on Rates of Pay Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2022	8.7 percent	1401a(b)(2)
January 1 – December 31, 2022	7.0 percent	1401a(c)

The retired pay COLA for those who first became a member of a Uniformed Service on or after September 8, 1980, including those members covered by the High-3 or Blended Retirement System (BRS), is specified according to the effective date of their retirement as follows:

<u>Retirement Effective:</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2022	8.7 percent	1401a(b)(2)
January 1 - March 31, 2022	7.0 percent	1401a(d)
April 1 - June 30, 2022	4.4 percent	1401a(d)
July 1 - September 30, 2022	1.2 percent	1401a(d)
October 1 - December 31, 2022	0.0 percent	1401a(d)

The retired pay COLA for those who first became a member of a Uniformed Service on or after August 1, 1986, who elected to receive a career status bonus under the provisions of section 354 of title 37 United States Code is specified according to the date of their retirement as follows:

<u>Retirement Effective</u>	<u>Percent Increase</u>	<u>10 U.S.C. Authority</u>
Before January 1, 2022	7.7 percent	1401a(e)
January 1 - March 31, 2022	6.2 percent	1401a(e)
April 1 - June 30, 2022	3.9 percent	1401a(e)
July 1 - September 30, 2022	1.0 percent	1401a(e)
October 1 - December 31, 2022	0.0 percent	1401a(e)

## Recall To Active Duty

Even though you may be immediately recalled to active duty, with no break in service, your account must be established on the retired pay system. You are required to make an SBP election prior to your retirement date, and you must waive retired pay to receive active duty pay. **Please do not delay sending in your retirement forms.**

- Recall Orders Issued: PSC-opm-1 for officers, PSC-epm-1 for enlisted, and PSC-rpm for all reservists.
- Retiree waives retired pay for period of recall.
- Recall period less than 30 days: Retired pay continues and upon completion of recall period, entitlements to active duty pay and allowances are computed and a special payment is issued for the difference between active duty and retired pay. A Form W-2 for taxable active duty pay received during the recall period is issued at year-end.
- Recall period more than 30 days: Retired pay is suspended and member is paid from the active pay system.
- Immediate Recall (*No break in service*): Even if scheduled for immediate recall to active duty, with no break in service, the retirement Form ([DD 2656](#)) needs to be completed and submitted to RAS.
- At completion of recall period, retired pay is reviewed to determine if pay adjustment (*additional time, etc.*) is applicable.
- Members that elected to participate in the SBP prior to their original retirement date may only modify their existing election if they have had a change in marital or dependent status during the recall period, or if they resume retired status during an SBP open season.

# Conditions That May Affect Retired Pay

## FOREIGN CITIZENSHIP

- Retired regular officers and enlisted members who lose their United States Citizenship by applying for citizenship in a foreign country or by taking an oath of allegiance to a foreign state lose their entitlement to retired pay.
- A citizen of the United States may live outside the United States indefinitely without losing United States citizenship.
- Retirees who reside in a foreign country and acquire foreign citizenship by operation of that country's law, but do not relinquish U.S. citizenship, are considered to have dual citizenship. Dual citizenship alone does not require a member to lose entitlement to retired pay.
- Reference: DoD Financial Management Regulation, Volume 7B, Chapter 6.

## FOREIGN GOVERNMENT EMPLOYMENT

The U.S. Constitution prohibits military retirees from accepting any office, title, or employment from a foreign government unless the retiree first obtains the approval of the Secretary of Homeland Security and the Secretary of State. Employment with a private company, enterprise, or organization that is owned by a foreign government, is an instrumentality of a foreign government, is also prohibited without prior approval. Approvals by the Secretary of DHS and Secretary of State **cannot** be given retroactively. For example, if a retiree goes to work for a foreign government, does not report such fact for six months, and receives Secretarial approval two months later, the retiree is subject to forfeiture retired pay for a period of 8 months. CG military retirees must submit a written request for approval for Foreign Government Employment to the Director of Reserve and Military Personnel (CG-13). CG-13 will submit requests, as appropriate, to the U. S. Department of State (DoS) for approval. Prior to submitting requests, contact Mr. Robert Hinds, CG Retiree Services Program Manager, at 202-475-5451 or email at [Robert.C.Hinds@uscg.mil](mailto:Robert.C.Hinds@uscg.mil). Mr. Hinds will provide additional guidance on the approval process and sample letter and forms. Requests may be e-mailed, encrypting documents containing PII, or mailed to Mr. Hinds at the following address:

COMMANDANT, U. S. COAST GUARD  
2703 MARTIN LUTHER KING JR AVE SE STOP  
7907 WASHINGTON, DC 20593-7907  
ATT: CG RETIREE SERVICES

- Reference: DoD Financial Management Regulation, Volume 7B, Chapter 5, Section 050301-050304.

## **Conditions That May Affect Retired Pay (Continued)**

*Retired members lose their retired pay if:*

- Convicted by court-martial or federal court of an offense involving the national security of the United States, including espionage, sabotage, disclosure of defense or classified information, seditious or subversive activities, or a violation of national security.
- The retiree refuses or willfully fails to appear, testify or produce papers before a federal grand jury, court, court-martial, or congressional committee in a proceeding concerning the retiree's relationship with a foreign government or a matter relating to national security or defense.
- Found guilty of perjury under U.S. laws by falsely testifying or concealing any material fact in connection with a crime involving national security.
- Reference: DoD Financial Management Regulation, Volume 7B, Chapter 5, Section 050201-050203.

### **EMPLOYMENT OF RETIRED MILITARY MEMBERS**

- After being approved for appointment to a civilian position, a retiring military member should be able to demonstrate his or her availability for work within 45 days, the standard time period applicable for all Coast Guard civilian appointments. Additionally, prolonged delays in requesting waivers may be viewed as holding the position open for a military member, and may result in denial of the request. (COMDTINST 12300.6J)

# **Physical Or Mental Incapacitation**

## **Incapacitation of Retiree**

- A physically or mentally incapacitated retiree is one who is impaired by physical disability, mental illness, mental deficiency, advanced age, chronic use of drugs or alcohol, or other causes which prevent sufficient understanding or capacity to competently manage their own affairs.
- Upon receipt of information that a retiree may be mentally incapacitated, a team of members who are specially trained in mental disorders must determine whether the retiree is competent.
- If retiree is declared incompetent by a judge or doctor, a trustee or court appointed guardian must be appointed. A Power-of-Attorney is no longer valid at the Federal level.
- Reference: DoD Financial Management Regulation, Volume 7B, Chapter 16.

## **Trustee Appointment**

Persons over the age of 21 that may be considered for appointment by Commandant as trustee are:

- Lawful spouse (not subject to age requirement.)
- Legitimate son or daughter or legally adopted son or daughter.
- Parents
- Head of an institution, if member is a patient.
- Any other person or person if in the best interest of the member.

## **Court Appointed Guardian**

- The incapacitated retiree or any person interested in the welfare of the retiree may petition a court of competent jurisdiction for a finding of incapacity and appointment of a guardian or other legal representative. A copy of the appropriate court order certifying to the appointment of the guardian must be forwarded to CG PPC (RAS) before payments may be made to appointee.

# DEERS

## **Updating your CG retired pay account does NOT update DEERS.**

They are separate systems (this also includes the VA). If required information is not the DEERS system, an ID card **cannot** be issued. DEERS (RAPIDS) information can be found at: <https://dwp.dmdc.osd.mil/dwp/app/main>

Members should update their DEERS information whenever there is a:

### Change in your status

Change in status of a family member (i.e. birth, death, marriage, divorce, adoption, etc.)

### Change of address or telephone number

- Address changes can be made online at: <https://dwp.dmdc.osd.mil/dwp/app/id-management/personneldata>

### Loss or theft of identification card

- ID cards must be kept current in order to receive benefits.

Expired ID cards may result in refusal of medical treatment, payment of claims or base privileges.

- ID cards may usually be obtained or renewed at any military installation that has the ID card computer program.
- Call your local ID issuing office or call toll free at: 1-800-538-9552 (in CA call 1-800-334-4162, in AK & HI call 1-800-527-5602).
- You can locate the nearest ID card office using: <https://idco.dmdc.osd.mil/idco/>

## **FEDVIP Dental and Vision**

When you choose to enroll in the retirees Federal Employees Dental and Vision Insurance Program, you make an agreement directly with FEDVIP to have your premiums for dental and/or vision insurance withdrawn from your retired pay. You do not start an allotment with RAS when you enroll in the plan, you authorize FEDVIP to deduct the money for your monthly premiums. In order to change the amount of your payment or to cancel your enrollment you must contact FEDVIP directly. An additional note is that when you enroll in the Plan you also authorize any yearly increase in the monthly premium that is deducted from your retired pay.

Please contact FEDVIP if you have any questions concerning their retiree dental/vision plan. You may reach them at --

877-888-3337 (Enrollment) <https://www.benefeds.com/Portal/EducationSupport>



## Making Changes To Your Retired Account

By using Direct Access (DA) Self-Service, you may make many changes (with nearly immediate results) to your account by accessing <https://hcm.direct-access.uscg.mil/>.

The U. S. Coast Guard Retired Pay System "DA" offers self-service, a web-based access for retirees. Our RAS web page at <https://www.dcms.uscg.mil/ppc/ras/gp/> provides access information and detailed instructions.

Click the First Time Logon Guide for Retired Pay Self-Service link and review the user ID and default password instructions before clicking the Sign into Direct Access link. Currently retirees must reset their passwords every 35 days.

In addition to viewing and printing payslips and 1099R forms, you can make the following account changes online:

- Allotments (Start, Stop, Change)
- Change direct deposit account
- Change mailing address
- Change phone number(s)
- E-mail address changes
- Change your Federal and/or State Income Tax Withholding
- View Final Pay Beneficiaries

### \* Changes that require written requests:

**Survivor Benefit Plan (SBP):** You must write or fax us with requests to make any changes to your SBP. Include substantiating documentation (i.e. divorce decree, death certificate).

### \* Reporting the Death of Coast Guard, NOAA, or PHS Retiree:

To report the death of a Coast Guard, NOAA, or PHS retiree, (also annuitant, spouse or former spouse). Please notify by telephone (preferably) as-soon-as possible.

\* How to Contact us:      **By Phone:**      1-866-772-8724

**By E-Mail:**      [PPC-DG-CustomerCare@uscg.mil](mailto:PPC-DG-CustomerCare@uscg.mil)

**By Mail:**      Commanding Officer (RAS)  
United States Coast Guard  
Pay & Personnel Center  
444 SE Quincy St  
Topeka KS 66683-3591

**By Fax:**      785 339-3770

RAS web page: <https://www.dcms.uscg.mil/ppc/ras/>

## **What happens to your retired pay when you die?**

**ALL PAYMENTS STOP!!**

**RETIRED PAY**

**ALL ALLOTMENTS**

**FORMER SPOUSE PAYMENTS**

Payment in the form of an annuity begins only if you have elected to participate in the Survivor Benefit Plan (SBP).

## Common Questions About SBP

**Q:** I understand my retired pay stops when I die. However, my spouse will be eligible for other Government benefits from the VA and Social Security Administration, right?

**A:** Your spouse could be entitled to a benefit called Dependency and Indemnity Compensation (DIC) from the VA. However, DIC is only payable if your death is found to be "service connected". A surviving spouse can also get social security survivor benefits if the spouse is over age 59, or if you have minor children. However, if you turn down SBP and you die from a non-service connected cause, and you don't have any minor children, your spouse will be without any Government benefits until reaching age 60.

**Q:** Does my spouse lose SBP if she or he remarries after I die?

**A:** If your spouse remarries before age 55, the monthly SBP annuity will be stopped. If this remarriage terminates, the annuity restarts.

**Q:** Does my spouse have any say in what SBP decision I make?

**A:** A spouse sure does. If you don't elect full coverage, your spouse must be notified and must sign a statement agreeing to your election of no coverage or reduced coverage. If your spouse doesn't agree or doesn't sign the statement, you are put on automatic full SBP coverage.

**Q:** What are some of the differences between SBP and life insurance?

**A:** (1) SBP has no cash value, whereas whole life insurance has a cash value and can be borrowed against.  
(2) SBP is government-subsidized.  
(3) SBP annuities rise with inflation, but insurance policies don't.  
(4) SBP premiums are exempt from taxes, whereas insurance premiums are not exempt.  
(5) SBP annuities paid out are taxable income, whereas insurance proceeds generally are not taxable.  
(6) SBP coverage cannot be denied due to your age or health, whereas insurance coverage can be.

**Q:** What are probably the most important factors in making an SBP decision?

**A:** Your health and that of your spouse, your family longevity and that of your spouse, the difference between you and your spouse's age, and your private financial planning (commercial insurance, etc.).

## Common Questions About SBP (Continued)

**Q:** Is my SBP decision irrevocable?

**A:** Yes, with the following exceptions.

(1) For future retirees, the window to discontinue SBP will open on the second anniversary after the retired member begins to receive retired pay, and will close on the third anniversary date. Retirees may not elect to discontinue participation without the written concurrence of the spouse, and participants who elect to withdraw will not be entitled to a refund of premiums.

(2) There have been open enrollment seasons in the past about every 10 years since SBP was adopted in 1972, whereby a retiree could come into the program. The open season is determined by congress and are extremely rare. However, the costs to come in during open season were much higher based on the retiree's age and how many years the retiree had been retired.

**Q:** Are there any cases where I should consider SBP a must-an extremely good buy?

**A:** Yes, in the case of an incapacitated child. If you have a mentally or physically handicapped child, SBP provides excellent protection at little cost. The child must meet service-specific requirements. Contact the PPC (RAS) DEERS desk at 1-785-339-3441 for application procedures and requirements.

**Q:** If I buy SBP coverage for my four children, do they each receive an annuity of 55 percent of my SBP base amount?

**A:** No, the annuity will be equally divided among your four children. When the oldest child reaches majority age, it would be divided into thirds, etc., etc.

**Q:** Is there a down side to purchasing SBP coverage for both my spouse and children?

**A:** One down side might be that the children will only be eligible for an annuity if you have no surviving spouse and your children are still under age 18 - thus you may end up paying for coverage that won't reap benefits. However, remember that child costs are very inexpensive.

**Q:** When do my children become ineligible under SBP?

**A:** At age 18, or if they attend school full-time, at age 22.

**Q:** I know that SBP annuity for my spouse is not reduced when my spouse reaches age 62. I also know that SBP stops if my spouse remarries before age 55. Are there any other instances where SBP is reduced or stopped?

**A:** Yes, if your spouse becomes qualified for Dependency and Indemnity Compensation (DIC) from the VA (a tax-free benefit) due to your service connected death, then the SBP annuity is reduced dollar-for-dollar. For example, if your spouse's SBP annuity was \$1,000 per month and your spouse is awarded \$850 DIC per month, the SBP annuity is reduced to \$150 per month.

## Common Questions About SBP (Continued)

**Q:** Is there ever a point that SBP will be considered paid up?

**A:** Yes, when the member has paid into SBP for 30 years **and** reaches age 70.

**Q:** What about dependents I acquire after I retire - can I cover them under SBP?

**A:** It really depends on your status at retirement. If you have a spouse at retirement, and elect not to cover your spouse under SBP, you would be precluded from electing SBP coverage for a new spouse acquired after retirement, unless there was an SBP open enrollment season. On the same hand, if you have eligible children at retirement, but don't elect SBP child coverage, you would be precluded from electing coverage for children you acquire after retirement. If you have no dependents at retirement, then later acquire dependents, you have one year to request SBP coverage for these dependents.

**Q:** Just how important is the COLA protection of SBP?

**A:** Extremely. SBP annuities, for instance, increased 296% between 1972 and 1988 - an annuity that was \$500 in 1972 was \$1,483 in 1988.

Another good example of the COLA protection would be SGLI. In 1972, SGLI coverage was \$15,000. Now, 20 years later, SGLI coverage is \$400,000. Just think, at this rate, 20 years from now, SGLI would have to be worth between \$600,000 and \$2,000,000!!!

Be sure to remember the COLA features of SBP when your insurance salesman presents information about purchasing a life insurance policy.

**Q:** Once I elect SBP, what responsibilities do I have after I retire?

**A:** To notify PPC if your family status changes. If your spouse or child dies, you divorce, your child marries or reaches age 18, immediately notify PPC so we can stop the SBP deductions from your pay.

**Q:** Can I cover my same sex partner under the SBP or Reserve Component SBP?

**A:** Yes, on June 26, 2013 the Supreme Court ruled Section 3 of the Defense of Marriage Act (DOMA) unconstitutional. Based on this ruling, same sex married couples are now entitled to the same SBP/RCSBP benefits as all married couples.

